

Home-based business: a means to what end?

Isla Kapasi

Thesis submitted for the Degree of Doctor of Philosophy
School of Management and Languages, Heriot-Watt University

August 2015

“The copyright in this thesis is owned by the author. Any quotation from the thesis or use of any of the information contained in it must acknowledge this thesis as the source of the quotation or information.”

Abstract

This thesis set out to investigate why individuals engage in home-based business (HBB) and to what end. Little previous academic research has investigated this phenomenon despite the sizable proportion of UK SMEs which could be termed as such and their cumulative economic contribution. The purpose of this thesis was fourfold: 1) to explore HBB dimensions and types; 2) to examine why an individual might be motivated to create a HBB; 3) the influence of motivations on business and personal outcomes arising from HBB activity; 4) and the fit of HBB within the entrepreneurship paradigm.

This study was underpinned by Critical Realist philosophy and employed a qualitative research approach. Data were collected from thirty Scottish HBB owners during 2014 using in-depth narrative interviews. Data were subject to thematic analysis.

The main finding of this study is that HBB owners exhibit unique motivations particular to their choice of business location. Further, these can impact on business (and personal) outcomes, which ultimately affect the fit of the HBB within the entrepreneurship paradigm.

There are five major contributions from this research. First, three new typologies based on gender, human capital and technology were created. Second, HBB owners have *specific* motivations for the creation of a HBB. Third, Shapero's Entrepreneurial Event Theory is valid as an entrepreneurial intention model in this context. In addition, an adaptation to this model is proposed based on the significance of context to the HBB owner entrepreneurial event cognition process. Fourth, there are both business and personal outcomes of operating a HBB, some of which can have a significant 'dark side' for the individual and 'downsides' for the business. Finally, HBB *is* entrepreneurship; however the 'fit' of the business within this paradigm exists along a spectrum.

Acknowledgments

First I would like to extend my thanks and gratitude to both of my supervisors, Professor Laura Galloway and Professor Gill Hogg. Your expert guidance and boundless patience were invaluable. My experience of completing this PhD has been made all the more worthwhile due to your advice, time and support.

Thanks are also extended to all those who freely gave their time to participate as interviewees in this study. There would be no thesis without their generosity.

Finally, my family are due a lifetime's worth of thanks. My mother, for all her support and time looking after my son, which allowed me to complete this research. My son, for enabling me to retain a sense of humour and for giving me a sense of perspective on completing a PhD! And to my husband, who without his support, this research and my 'apprenticeship' would not have been possible for so many reasons. You all have my heartfelt and boundless thanks, gratitude and love.

ACADEMIC REGISTRY

Research Thesis Submission



| | | | |
|---|--|---|-------------------|
| Name: | Isla Kapasi | | |
| School/PGI: | School of Management and Languages (Business Management) | | |
| Version: <i>(i.e. First, Resubmission, Final)</i> | Final | Degree Sought (Award and Subject area) | PhD in Management |

Declaration

In accordance with the appropriate regulations I hereby submit my thesis and I declare that:

- 1) the thesis embodies the results of my own work and has been composed by myself
- 2) where appropriate, I have made acknowledgement of the work of others and have made reference to work carried out in collaboration with other persons
- 3) the thesis is the correct version of the thesis for submission and is the same version as any electronic versions submitted*.
- 4) my thesis for the award referred to, deposited in the Heriot-Watt University Library, should be made available for loan or photocopying and be available via the Institutional Repository, subject to such conditions as the Librarian may require
- 5) I understand that as a student of the University I am required to abide by the Regulations of the University and to conform to its discipline.

* *Please note that it is the responsibility of the candidate to ensure that the correct version of the thesis is submitted.*

| | | | |
|-------------------------|--|-------|--|
| Signature of Candidate: | | Date: | |
|-------------------------|--|-------|--|

Submission

| | |
|--|-------------|
| Submitted By <i>(name in capitals)</i> : | ISLA KAPASI |
| Signature of Individual Submitting: | |
| Date Submitted: | |

For Completion in the Student Service Centre (SSC)

| | | | |
|--|--|-------|--|
| Received in the SSC by <i>(name in capitals)</i> : | | | |
| <i>Method of Submission</i> <i>(Handed in to SSC; posted through internal/external mail):</i> | | | |
| <i>E-thesis Submitted (mandatory for final theses)</i> | | | |
| Signature: | | Date: | |

CHAPTER ONE: INTRODUCTION

| | | |
|------------|---|----------|
| 1.1 | CONTEXT AND RESEARCH GAPS | 1 |
| 1.2 | AIM, OBJECTIVES AND RESEARCH QUESTIONS | 5 |
| 1.3 | ORGANISATION OF THE STUDY | 6 |
| 1.4 | SUMMARY | 8 |

CHAPTER TWO: CONTEXTUALISING HOME-BASED BUSINESS

| | | |
|------------|---|-----------|
| 2.1 | INTRODUCTION AND OVERVIEW | 9 |
| 2.2 | HOME-BASED BUSINESS | 9 |
| 2.2.1 | DEFINING THE HOME-BASED BUSINESS | 12 |
| 2.2.2 | CHARACTERISTICS OF HOME-BASED BUSINESS AND THEIR OWNERS | 15 |
| 2.2.3 | HOME-BASED BUSINESS TYPOLOGY | 23 |
| 2.2.4 | SUMMARY | 26 |
| 2.3 | ENTREPRENEURSHIP | 27 |
| 2.3.1 | CHALLENGES TO THE DOMINANT CONCEPTION OF ENTREPRENEURSHIP | 30 |
| 2.4 | MOTIVATION | 32 |
| 2.4.1 | MOTIVATIONS AND OUTCOMES | 37 |
| 2.4.2 | WHY HOME-BASED BUSINESS? | 39 |
| 2.4.3 | SUMMARY | 43 |
| 2.5 | SUCCESS: BUSINESS AND PERSONAL OUTCOMES | 43 |
| 2.5.1 | OUTCOMES FOR HOME-BASED BUSINESSES | 46 |
| 2.5.3 | SUMMARY | 48 |
| 2.6 | SUMMARY | 48 |

CHAPTER THREE: THEORETICAL FRAMEWORK

| | | |
|------------|---|-----------|
| 3.1 | INTRODUCTION AND OVERVIEW | 51 |
| 3.2 | BUSINESS CREATION MOTIVATION THEORY | 51 |
| 3.2.1 | THE THEORY OF PLANNED BEHAVIOUR | 52 |
| 3.3 | SHAPERO'S ENTREPRENEURIAL EVENT THEORY | 55 |
| 3.4 | MOTIVATION THEORY IN THE CURRENT STUDY | 60 |
| 3.5 | SUMMARY AND RESEARCH QUESTIONS | 61 |

CHAPTER 4: METHODOLOGY **64**

| | |
|--|-----------|
| 4.1. INTRODUCTION AND OVERVIEW | 64 |
| 4.2. PHILOSOPHICAL POSITION: CRITICAL REALISM | 64 |
| 4.2.1 CRITICAL REALISM: THE MORPHOGENETIC APPROACH | 68 |
| 4.2.2 CRITICAL REALISM AND THIS RESEARCH | 70 |
| 4.3. APPROACH TO THE RESEARCH | 72 |
| 4.4 RESEARCH METHOD | 74 |
| 4.4.1 STUDY SETTING: SCOTLAND | 74 |
| 4.4.2 DATA COLLECTION | 75 |
| In-depth interviews | 75 |
| The data collection process in this research | 78 |
| 4.4.3 DATA ANALYSIS | 80 |
| 4.4.4 CONFIRMABILITY, DEPENDABILITY, CREDIBILITY AND TRANSFERABILITY | 83 |
| 4.4.5 LIMITATIONS | 85 |
| 4.5 SAMPLE | 87 |
| 4.5.1 SAMPLE: SELECTION AND CRITERIA | 87 |
| 4.5.2 SAMPLE IN THIS STUDY | 89 |

CHAPTER FIVE: DIMENSIONS OF A HOME-BASED BUSINESS **92**

| | |
|---|------------|
| 5.1 INTRODUCTION AND OVERVIEW | 92 |
| 5.2 HOME-BASED BUSINESS CHARACTERISTICS | 92 |
| GENDER | 92 |
| WORKING HOURS | 93 |
| AGE OF THE BUSINESS | 94 |
| 5.3 A HBB TYPOLOGY? | 95 |
| T1 HUMAN CAPITAL OF THE OWNER AND LOCATION (ORIGINAL TYPOLOGY PROPOSED) | 96 |
| T2 HUMAN CAPITAL: REQUIREMENT AND ATTAINMENT | 97 |
| T3 TECHNOLOGY: HUMAN CAPITAL REQUIREMENT AND USE OF TECHNOLOGY | 99 |
| 5.4 CONCLUSIONS | 100 |

CHAPTER SIX: WHY INDIVIDUALS ENGAGE IN HOME-BASED BUSINESS **102**

| | |
|--|------------|
| 6.1 INTRODUCTION AND OVERVIEW | 102 |
| 6.2 MOTIVATIONS FOR BUSINESS CREATION | 102 |

| | |
|---|------------|
| 6.2.1 EXTRINSIC MOTIVATIONS | 102 |
| Financial | 102 |
| Status | 104 |
| 6.2.2 INTRINSIC MOTIVATIONS | 105 |
| Personal development | 105 |
| Control and autonomy | 106 |
| Flexibility | 107 |
| 6.3 MOTIVATIONS FOR HOME-BASED BUSINESS CREATION | 108 |
| 6.3.1 BUSINESS | 108 |
| Costs | 108 |
| Business risk | 109 |
| Convenience | 110 |
| 6.3.2 PERSONAL | 111 |
| Meeting dual needs: health and life commitments | 111 |
| Hobby businesses | 113 |
| Personal risk | 113 |
| Lack of alternatives | 114 |
| 6.4 SELF-EFFICACY | 115 |
| Human capital | 115 |
| Financial capital | 116 |
| Social capital | 118 |
| 6.5 THE EFFECT OF CONTEXT | 119 |
| 6.5.1 SUBJECTIVE NORMS | 119 |
| Environmental norms | 119 |
| Personal-direct norms | 120 |
| 6.5.2 PRECIPITATING EVENT | 121 |
| Pull Events | 121 |
| Push Events | 122 |
| 6.6 IMPLICATIONS FOR THEORY: SHAPERO'S ENTREPRENEURIAL EVENT | 125 |
| 6.7 ANALYSIS AND CONCLUSIONS | 128 |

CHAPTER SEVEN: THE OUTCOMES OF ENGAGING IN HOME-BASED

BUSINESS **130**

| | |
|--------------------------------------|------------|
| 7.1 INTRODUCTION AND OVERVIEW | 130 |
| 7.2 PERSONAL OUTCOMES | 130 |

| | |
|---|----------------|
| 7.2.1 EXTRINSIC | 131 |
| 7.2.2 INTRINSIC | 133 |
| 7.3 BUSINESS OUTCOMES | 137 |
| 7.5 HOME-BUSINESS BOUNDARY | 138 |
| 7.5.1 SPATIAL | 138 |
| 7.5.2 TEMPORAL | 141 |
| 7.5.3 SOCIAL PERCEPTIONS: CREDIBILITY/VISIBILITY | 143 |
| 7.6 ISOLATION | 145 |
| 7.7 ANALYSIS: MOTIVATIONS AND OUTCOMES | 148 |
| 7.8 CONCLUSIONS | 150 |
| CHAPTER EIGHT: ENTREPRENEURSHIP IN HOME-BASED BUSINESS | 153 |
| 8.1 INTRODUCTION AND OVERVIEW | 153 |
| 8.2 CONVENTIONAL | 153 |
| 8.3 DIVERSIFIERS | 156 |
| 8.4 SATISFIERS | 157 |
| 8.5 AVOIDERS | 159 |
| 8.6 ANALYSIS: ENTREPRENEURSHIP-ORIENTATION TYPOLOGY | 159 |
| 8.7 CONCLUSIONS | 161 |
| CHAPTER NINE: CONCLUSIONS | 163 |
| 9.1 INTRODUCTION AND OVERVIEW | 163 |
| 9.2 SUMMARY OF FINDINGS AND CONTRIBUTION | 164 |
| 9.2.1 HOME-BASED BUSINESS DIMENSIONS AND TYPES | 164 |
| 9.2.2 MOTIVATIONS FOR HOME-BASED BUSINESS CREATION | 165 |
| 9.2.3 OUTCOMES OF HOME-BASED BUSINESS | 168 |
| 9.2.4 ENTREPRENEURSHIP IN HOME-BASED BUSINESS | 170 |
| 9.2.5 POLICY AND PRACTICE | 176 |
| 9.3 LIMITATIONS AND OPPORTUNITIES FOR FURTHER STUDY | 176 |
| REFERENCES | 179 |

| | |
|-------------------|------------|
| APPENDICES | 195 |
| APPENDIX A | 195 |
| APPENDIX B | 196 |
| APPENDIX C | 199 |
| APPENDIX D | 200 |

List of Tables

| | |
|---|-----|
| TABLE 1. HOME-BASED BUSINESS LITERATURE/ASSUMPTIONS | 22 |
| TABLE 2. INTRINSIC AND EXTRINSIC MOTIVATIONS | 34 |
| TABLE 3. MOTIVATIONS AND PROPOSED BUSINESS TYPE | 37 |
| TABLE 4. A STRUCTURED ONTOLOGY | 65 |
| TABLE 5. SAMPLE DETAILS | 90 |
| TABLE 6. SUMMARY OF SAMPLE BUSINESS DESCRIPTIONS | 91 |
| TABLE 7. BUSINESS-ORIENTATION TYPOLOGY | 160 |
| TABLE 8. THESIS FINDINGS AND HOME-BASED BUSINESS LITERATURE/ASSUMPTIONS | 175 |

List of Figures

| | |
|--|-----|
| FIGURE 1. HOME-BASED BUSINESS TYPOLOGY | 25 |
| FIGURE 2. THE THEORY OF PLANNED BEHAVIOUR | 53 |
| FIGURE 3. SHAPERO'S ENTREPRENEURIAL EVENT THEORY (SEE) | 56 |
| FIGURE 4. MEDIATING EFFECT OF CONDITIONS | 67 |
| FIGURE 5. HUMAN CAPITAL AND BUSINESS LOCATION TYPOLOGY (T1) | 96 |
| FIGURE 6. HUMAN CAPITAL: REQUIREMENT AND ATTAINMENT (T2) | 97 |
| FIGURE 7. TECHNOLOGY: HUMAN CAPITAL REQUIREMENT & USE OF TECHNOLOGY (T3) | 99 |
| FIGURE 8. ADAPTED ENTREPRENEURIAL EVENT THEORY | 127 |
| FIGURE 9. SHAPERO'S ENTREPRENEURIAL EVENT THEORY (SEE) | 166 |
| FIGURE 10. ADAPTED ENTREPRENEURIAL EVENT THEORY | 168 |

Chapter One: Introduction

This research seeks to investigate home-based business (HBB) and consider the HBB as a means to what end. Previous academic and practitioner studies of HBB make the case that HBBs are economically viable and make a potentially significant contribution to economies (e.g. Mason and Reuschke, 2015; Enterprise Nation, 2014). Yet other studies find microbusinesses (of which HBBs count for approximately 70 per cent in the UK) lack growth ambitions and outcomes (Allinson *et al.*, 2013). Meanwhile, the debate about the value of HBB not only refers to economic value, but social and personal value also. Studies report that HBB is a means by which to facilitate work-life balance or achieve other lifestyle factors (e.g. Loscocco and Smith-Hunter, 2004; Ekinsmyth, 2011). Again though, many others question the efficacy of this business model to achieving such outcomes (e.g. Kirkwood and Tootell, 2008; McGowan *et al.*, 2011).

The following sections outline the context of HBB in the UK with particular attention given to highlighting gaps in knowledge. Based on these, the purpose of this study in terms of its aim, objectives and research questions is set out. The chapter concludes by presenting an outline of the structure of the following chapters of this thesis.

1.1 Context and research gaps

Support for business is central to economic policy in all market economies, including the UK (e.g. BIS, 2010; The Scottish Government, 2015). Consequently, the governments within the UK commission several pieces of annual research to further understand rates, types and outcomes amongst the business community. Research undertaken in 2014, for example, indicates that 96 per cent of UK businesses are micro enterprises (nine employees or less) (Ward and Rhodes, 2014). Additionally, studies find that 70 per cent of 'no employee' microbusiness (i.e. 2,486,400) are *home-based businesses* (BMG Research, 2013a).

According to practitioner and academic research, HBBs form the largest business sector in the UK (Enterprise Nation, 2009; Mason *et al.*, 2011). The most recent Enterprise Nation *Home Business* Report (2014) states that over 50 per cent of all UK small-to-medium-sized enterprises (SMEs – less than 250 employees) are HBBs,

contributing £300 billion to the UK economy (Enterprise Nation, 2014). These suggest that UK HBBs have cumulative economic contribution potential.

Given the large proportion of HBBs, and within a context whereby it is proposed that they can positively contribute to the markers of economic growth (Lord Young, 2013), pursuit of HBB is currently actively encouraged by the UK government. This is reflected in policy. For example, the UK government endorses the HBB model for social housing tenants and has updated its policy on planning permission (BIS, 2010, 2014); business rates for HBB have been clarified (Valuation Office Agency, 2014); *The Home Business Guide* (Jones, 2012) – a step-by-step framework and examples aimed at inspiring the HBB start-up process – has been produced; and the UK Prime Minister and the Business Minister recently launched the inaugural *Home Business Summit* (Enterprise Nation, 2014). This suggests that government views HBB as something which can contribute to economic growth, and should be encouraged. In turn, by providing the ‘right’ conditions, HBB creation, and subsequent growth outcomes, will be achieved.

Recent academic and practitioner research also appears to support the proposition that HBB has positive economic outcomes. Research conducted by Mason and Reuschke (2015) indicate that HBB is valuable to the UK economy due to the sizable proportion of UK businesses which are HBB and their cumulative increases in turnover including both national and international sales (also Enterprise Nation, 2014). Thus, government and practitioner interest in this mode of business operation, based on its potential contribution to economic growth, appears to reflect HBB entrepreneurial potential and outcomes. Moreover, academic research has largely framed the phenomenon within the entrepreneurship field, due to HBBs self-employed/owner business ‘credentials’ (e.g. Thompson *et al.*, 2009; Mason *et al.*, 2011; Ekinsmyth, 2011). However, other UK-wide government research indicates that micro firms in particular, which includes HBBs, are found not to seek or achieve growth (Anderson and Ullah, 2014; OECD, 2010). For example, Allinson *et al.* (2013) in their study of UK micro businesses, including HBBs within the category of ‘non-employers’, report that they exhibit “substantially lower rates of growth and growth ambition” (p. iii) than other types of firms. Thus to some extent HBBs are dismissed as lacking economic contribution since they are assumed to be lifestyle, that is non-growth orientated, firms.

In contrast to the conflicting findings regarding the economic potential of HBBs, much is made of their assumed potential social or personal benefit (e.g. Baines, 2002; Loscocco and Smith-Hunter, 2004; Dwelly *et al.*, 2005; Redmond *et al.*, 2006). In studies examining HBB, research attention has been dedicated to understanding the non-economic outcomes of engaging in HBB creation and operation such that this mode of business may facilitate work-life balance or other personal benefits (e.g. Berke, 2003; Loscocco and Smith-Hunter, 2004; Ekinsmyth, 2011). However, once again the findings are contradictory (e.g. Kirkwood and Tootell, 2008; Walker *et al.*, 2008). Furthermore, in the case of HBBs, research has concluded that non-economic outcomes come at an economic cost (Thompson *et al.*, 2009). Thus, the financial and social value and outcomes of HBB are set in opposition.

Subsequently, views regarding HBB as credible entrepreneurship are often polarised and the (type of) value created by engaging in HBB remains in question. This may be because academic investigation of HBB and how entrepreneurship is manifested by this business mode has been limited. Therefore, while in the UK HBBs are a prevalent form of business operation, and currently actively encouraged by top-down government policy, the outcomes of encouraging HBB creation are uncertain.

It would appear judicious therefore to consider what HBB outcomes are achieved, both business and personal, and what contributes to, or influences, them. To date, as stated, the (business and personal) outcomes of engaging in HBB activity are often limited to assessing economic contribution or related to the achievement (or not) of work-life balance desires (e.g. Kirkwood and Tootell, 2008; Allinson *et al.*, 2013). An alternative approach which may provide much needed clarity is to consider initial business creation motivations and their relationship to subsequent outcomes.

Previous research has established a connection between *motivations* and business outcomes (e.g. Watson *et al.*, 1998; van Praag, 2003). For example, Delmar and Wiklund (2008) find a positive correlation between motivation and subsequent business growth and Manolova *et al.*'s (2012) research establishes a connection between the expectation of final outcomes as motivators to engage in entrepreneurial actions. Thus, both business and personal outcomes can be viewed as dependent on the motivation of the individual, which can differ enormously (Galloway and Mochrie, 2006; Delmar and Wiklund, 2008; Manolova *et al.*, 2012). As Newbery and Bosworth's

(2010) exploration of rural HBBs reports “the experiences and motivations of each individual [are the] defining features of their businesses” (p.186). Therefore, the role of *motivation* and *intention* appear critical to understanding HBB. It is surprising, therefore, to note that little academic research has considered the motivations for choosing the HBB model *and their influence* on both the individual and their business.

Historically research investigating business creation centred on the study of personality; however, research suggests that this approach lacks predictability and reliability (Shaver and Scott, 1991; Krueger *et al.*, 2000). Consequently, contemporary research has sought to understand entrepreneurial motivations and behaviour by employing a *cognitive approach*. Cognitive models propose a combination of antecedents such as attitude and subjective norms which underpin intention and behaviour (Krueger and Brazeal, 1994). In the study of business creation, Ajzen's (1991) social psychology-based Theory of Planned Behaviour (TPB) is the most common theoretical framework (Wiklund *et al.*, 2003). TPB, however, is subject to several criticisms with regards to its antecedent components and issues of 'time lag' between intentions and behaviours amongst others. Most importantly, its application has been stubbornly agency-centric, underpinned by a predominantly quantitative research approach. An alternative, yet comparable cognitive theory to the TPB exists: Shapero's Entrepreneurial Event Theory (SEE). This theoretical framework specifically considers the ‘entrepreneurial event’ decision-making process and thus is more applicable to considering motivations specific to business creation, particularly where external factors such as HBB context may have a contributing role.

However, no research investigating any aspect of the HBB phenomenon can be productive if *what* a HBB is remains uncertain. Initial studies investigating HBB emerged in the early 1990's, with the majority either conceptual or quantitative, seeking to ‘map’ or describe the HBB landscape. Consequently, there is a body of literature which outlines, for example, where HBBs are based (urban/rural), their economic contribution, the gender of the HBB owner, and their human capital levels (e.g. Edwards and Field-Hendrey, 1996; Soldressen *et al.*, 1998; Wilson *et al.*, 2004; Mason *et al.*, 2011). Yet the main feature of the extant research into HBB is its lack of agreement on many of these. Crucially, in many of these studies, the definition is often country-specific, and in some no definition is offered. Subsequently, the study of HBB

has been limited due to the lack of clarity regarding the concept, where imprecise language, inconsistency in definitions and assumptions create a challenging foundation upon which to base credible and comparable HBB research. Therefore, in order to proceed with investigating the HBB concept, it is necessary to clearly distinguish dimensions of this type of work to enable robust academic and practitioner research. This is the first step towards reducing conflicting evidence due to weak comparison and will contribute to further knowledge about HBB.

To summarise, there are several gaps in our knowledge about HBB. First, these may exist because the phenomenon has not been adequately defined. Thus, existing studies and findings are hard to interpret accurately and leave a measure of uncertainty in current findings. Second, there is conflicting evidence about the value of engaging in HBB which is likely due to its positioning as an either/or phenomenon related to its placement in the entrepreneurship paradigm. To that end, it is necessary to consider the outcomes of HBB in all their complexity and the relationship of those to initial motivations for business creation. Additionally, the current research aims to respond to calls for further research to fill the gaps in our understanding about business motivations and processes (e.g. Burchell *et al.*, 1999; Unwin *et al.*, 2008; Kautonen *et al.*, 2011; Binder and Coad, 2013). By enriching understanding of the HBB phenomenon, the study will contribute to developing academic, practitioner and government research, thereby, helping to clarify the 'value' of HBB outcomes and their link with motivations and business context. It is to the specific aim, objectives and research questions which seek to answer these gaps that we now turn.

1.2 Aim, objectives and research questions

The purpose of this research is to explore motivations for home-based business creation and the effect on owners and their business. This is divided into four broad research objectives:

Objective 1. To explore dimensions of home-based business and different types

Objective 2. To investigate intention antecedents and motivations for home-based business in the context of theories of entrepreneurial intent

Objective 3. To examine the personal and business outcomes of home-based business

Objective 4. To investigate if entrepreneurship defined as growth-orientation is observable in home-based businesses

This research incorporates a theoretical framework comprised of two elements:

- a) a proposed HBB typology developed from literature and;
- b) Shapero's Entrepreneurial Event theory (SEE)

Using a critical realist approach this research will explore Scottish HBBs and consider their placement within the proposed typology. In addition, by applying SEE theory, the intentions and motivations of those pursuing HBB will be examined and the validity of SEE theory for this purpose assessed.

Using these approaches, the following four broad research questions will be addressed:

RQ. 1. What are the key dimensions of a home-based business?

RQ. 2. Why do individuals engage in home-based business?

RQ. 3. What are the business and personal outcomes of engaging in home-based business?

RQ. 4. Is entrepreneurship (defined as growth-orientation) evidenced in home-based business?

To answer these questions, a qualitative methodology will be employed, involving collecting the narratives of 30 HBB owners via semi-structured interviews. Data analysis will be thematic and comparative, see Chapter 4.

1.3 Organisation of the study

This study is organised as follows.

Chapter 2 reviews the HBB literature, placing it in context by examining the issues which surround the definition of a HBB, its business and person characteristics and challenging assumptions which have underpinned prior research. A HBB typology is developed and presented. Thereafter, the dominant ideology of entrepreneurship's

symbiotic relationship with (economic) growth is reviewed, and the position of the HBB in relation to entrepreneurial growth is considered. Motivations for engagement in business creation activities in general, and the HBB in particular, are discussed. Finally, the measurement of, and factors that contribute to, general business success are explored, with specific attention given to the HBB.

Chapter 3 sets out the theoretical framework for this research. The theoretical literature regarding motivations and intentions, with a particular focus on models previously used to conduct research exploring entrepreneurial motivations, is reviewed. The theoretical entrepreneurial motivations model to be used in this research is presented.

Chapter 4 presents the methodology employed in this research. This research is underpinned by a critical realist approach, and the ontological and epistemological position is detailed. Thereafter the relevance of a qualitative approach for this study is discussed, followed by details of the research procedures employed including sampling, data collection, data analysis and limitations.

Chapters 5, 6, 7 and 8 are each dedicated to the presentation of empirical data, analysis and discussion for each of the four research questions posed in this thesis (as per page 6). Thus, Chapter 5 considers the sample in this research in terms of the dimensions of HBB and the different types found in this study as per RQ1. This includes an analysis of the typology set out in Chapter 2 and the presentation and discussion of two further typologies, thus addressing Objective 1 of the study. Chapter 6 explores the motivations reported by this sample and the validity of the proposed theoretical framework. Chapter 7 outlines the business and personal outcomes of engaging in HBB. Chapter 8 considers if entrepreneurship can be observed and presents a new spectrum by which to classify the behaviour outcomes observed in the HBBs in this sample.

Chapter 9 outlines the conclusions of this research, with specific attention given to the contributions to context, theory, practice and policy. Consideration is given to the limitations of the study and areas for future research.

1.4 Summary

This thesis explores home-based business. Home-based businesses comprise a sizeable section of the UK economy but they are largely under-represented in business research studies. Nevertheless, the number of new HBBs in the UK continues to grow (Enterprise Nation, 2009, 2014) and public media rhetoric expounds the benefits of them, including the ability of business owners to achieve work-life balance (e.g. White, 2008; Jones, 2009). This research seeks to investigate the HBB concept and produce evidence-based information and consequently better informed understanding of them. First, attention is given to placing the HBB in the dominant research context of entrepreneurship and business growth. Second, discussion centres on attempting to define the HBB concept and proposes a typology to this end. Third, motivations have been found to be significant contributors to business outcomes, and in particular, growth ambitions have been shown to lead to growth outcomes (e.g. Manolova *et al.*, 2012), thus, this research seeks to assess the intentions and motivations of HBB owners. Finally, in light of the relationship between motivations and the effect on business (and individuals), the research will assess the HBB model in terms of contribution to desired business and personal outcomes. In turn this will contribute to the development of entrepreneurial theory, particularly in the context of HBB.

Chapter Two: Contextualising home-based business

2.1 Introduction and overview

Understanding an individual's motivations, the *why* of business creation is crucial to the continued development of our understanding of entrepreneurship and business (Shane and Venkataraman, 2000; Elfving *et al.*, 2009). During 2011 in the UK, approximately 253,000 new businesses were formed, contributing to the 4.8 million private sector businesses of which 99.9 per cent are SMEs (BIS, 2012). Of those, 74 per cent have no employees, and of those, 70 per cent (n=2,490,079) "operate from the business owner's home" (BMG Research, 2013a, p. 1). These are often known as *home-based businesses* (HBBs). However, whilst HBBs engage in business activities, there has been limited academic engagement with the phenomenon.

This chapter contextualises the HBB and considers its relationship to business growth, motivations and success. First, HBB literature is reviewed with detailed attention given to definitions, business and owner characteristics and inspection of HBB 'urban myths'. Thereafter, a conceptual HBB typology, which forms part of the theoretical framework of this study, is presented. Second, in order to place the HBB in social and research context, the concept of entrepreneurship will be discussed and the definition to be used in this research outlined. Third, previous research considering *why* individuals engage in business creation, and HBB in particular, is summarised. Finally, the meaning, measurement and outcomes of success in business in general and HBB in particular will be considered.

2.2 Home-based business

According to Mason (2010) HBBs are a "significant location for entrepreneurial activity" (p.104). Additional sources comment that there is a 'trend' towards HBB (Rowe *et al.*, 1999; Enterprise Nation, 2009, 2014), with HBB the largest and fastest growing sector in many Western economies. This may be particularly true in rural economies as found in the UK and the USA (Rowe *et al.*, 1999; Phillips, 2002; Dwelly *et al.*, 2005). The existing scale of the phenomenon and its predicted increase would be suggestive of an effect on economic indicators within Western economies.

HBBs are predominantly concentrated in the micro-business category (<10 employees). Micro-business are associated with low-growth orientation, if any (Allinson *et al.*, 2013). Subsequently HBBs are perceived as lacking economic value based on their assumed lack of growth outcomes in terms of turnover, profit, and employee numbers. However, when Enterprise Nation (2009) (a UK home-business online forum) asked their members about future business growth intentions, 89.1 per cent of their sample anticipated growing their business in the following year. The intention for growth within HBBs has remained consistently high (85 per cent in 2014) (Enterprise Nation, 2014). This reflects the findings of Mason *et al.* (2011) who found in their sample of 18,939 Federation of Small Business members, that similar percentages of HBBs and non-HBBs reported increases in turnover in the previous year (57 per cent), with 58 per cent of HBBs seeking to grow their business in the following 12 months. Closer inspection suggests that HBBs seem to pursue a different kind of growth that involves outsourcing and sub-contracting rather than growing headcount (Dwelly *et al.*, 2005; Mason *et al.*, 2011; Enterprise Nation, 2014). Nevertheless, other HBB studies comparing HBBs with non-HBBs, find that HBBs do have fewer employees and lower levels of turnover (Loscocco and Smith-Hunter, 2004; also Newbery and Bosworth, 2010; Thompson *et al.*, 2009).

As an alternative to employment and turnover figures as measures of growth, researchers have used contribution to 'total household income' by the HBB, again with contrasting findings. For example, Phillips (2002) reports in his summary of US data that HBBs only contribute ten per cent of total household income (low contributions are also reported by Soldressen *et al.* (1998) and Ekinsmyth (2011)). In contrast, Dwelly *et al.* (2005) report a 67 per cent contribution based on research conducted in South East England (similarly large percentages are reported in Australian findings – 72 per cent for male HBB owners and 50 per cent for female owners (Walker, 2003)).

Thus, while the assumed lower levels of turnover and employment figures in HBBs in comparison to non-HBBs appear to be credible, other measures of their economic significance appear to support their value (i.e. contribution to household income, aspirations to grow turnover, growth through outsourcing). Additionally, Mason *et al.*'s (2011) HBB 'mapping' research found that in regions with higher business start-up rates, there were also greater numbers of HBBs, suggesting that HBBs may fit the

business start-up mould; this is certainly a common assumption about HBBs. The consequence of HBBs being perceived as low value and non-growth orientated businesses has been that they have been considered as not relevant to entrepreneurship when it is defined as growth or innovation (Carland *et al.*, 1984). This has resulted in them receiving less attention as a research topic since entrepreneurship research has tended to focus on growth-orientated businesses (Kitcing and Smallbone, 2012). Other reasons why HBBs are not a common focus of research include that the terminology used to describe and define them is confused and misleading, resulting in difficulty with measurement and thus assessment of the phenomena. In addition, it is difficult to track these often 'invisible' businesses, therefore, little is known about what motivates engagement in this form of business activity and the subsequent outcomes (Walker, 2003; Mason *et al.*, 2011).

Nevertheless, the HBB has been a source of both public and Government interest, as reflected in several recent government and popular media publications (e.g. White, 2008; Jones, 2009; Jones, 2012; BMG Research, 2013a; Lord Young, 2013). Most recently, the UK Minister for Enterprise was involved in the inaugural *Home Business Summit* (2014) announcing a series of changes to policy and law to facilitate future growth in the number of HBBs. BIS reports that this is:

“to make it much easier for people thinking of starting a home business” (BIS, 2014)

According to the report, BIS recognises the overall economic value of HBBs, and their contribution to economic recovery, to local communities and the environment (BIS, 2014). As yet, academic examination of regulatory change to encourage UK HBB creation is unexplored, but in an Australian HBB study, government regulations were found to have no impact on performance (Holmes *et al.*, 1997). Similar was found in a Swedish study of firm creation (Elert, 2014).

In contrast to the recent support for HBB as a potential source of economic benefit, other perceived benefits of home-based activity are more longstanding. 'Working from home' has become associated with work-life balance (WLB) discourses and practices (Felstead *et al.*, 2002; Tietze *et al.*, 2009; Moore, 2006). Walker *et al.* (2008) propose that pursuit of self-employment may arise as a consequence of conflict

between the 'roles' of work and life in employment situations (also Jurik, 1998). Jurik (1998) contends that "the only liberated homeworkers are those who are truly self-employed" (p.8). As well as these factors, according to Soldressen *et al.* (1998) HBB presents an opportunity for the 'disadvantaged' – defined by them as those with children, disabled, retirees and hobbyists – to engage in economic activity (also Pratt, 1987; Jurik, 1998). Thus, home-based small business activities are presented as a "privatised solution to complex challenges facing individuals" (Bryant, 2000, p. 31), or the natural solution to wider social and economic changes which embed homeworking in social discourse as a means to achieve flexibility to manage WLB (Bryant, 2000; Shaw *et al.*, 2000).

The remainder of this section will set out the existing knowledge regarding the HBB concept. Priority is given to the challenge of defining the HBB and the consequences of ambiguity on accurately building knowledge and understanding. Additionally, an outline of the characteristics of HBBs and their owners is presented with particular attention given to the assumptions that have coloured existing academic and practitioner research to date. Finally a conceptual typology for categorising HBBs is presented and discussed.

2.2.1 Defining the home-based business

According to Dannhauser (1999), defining a HBB is a "demographic debacle" (p.52) due to the heterogeneity of work related activities which take place in the home (also Pratt, 1987; Felstead, 1996; Sullivan, 2003). Therefore, as yet, within academic or practitioner literature, there is no clear definition for a HBB, although most research frames the concept within the entrepreneurship field (e.g. Ekinsmyth, 2011; Newbery and Bosworth, 2010). The lack of clarity is due to imprecise language, inconsistency in working definitions and uncertainty about the legal status of those operating HBBs.

First, academic and practitioner papers alike often use imprecise language, interchangeable terms or do not provide a definition for the concept they discuss (for example Soldressen *et al.*, 1998; Loscocco and Smith-Hunter, 2004; Enterprise Nation, 2009). Baines' (2002) UK-based technology-focused research paper is a clear example. The author uses *six* different ways to refer to (possibly) the same concept: "home-

based micro enterprise” (p.89), “telecommuting/teleworking” (p.90), “teleworking at home” (p.90), “homeworking self-employment” (p.90), self-employed teleworkers” (p.90), “home-based self-employment” (p.90) (ibid.).

‘Teleworker’ or ‘telecommuting’ are especially common terms used to describe work that takes place in the home. However, these terms actually apply to *employees* who work away from the office, whether at home or in an alternative location (e.g. Edwards and Field-Hendrey, 1996; Ruiz and Walling, 2005). As Cifre *et al.* (2002) state:

“teleworking refers to a specific mode of employment where the *employee* is located remotely from a central office or production facility, has little or no face-to-face contact with co-workers but is able to communicate via the use of high technology telematic systems” (p. 17, my italics).

In contrast, in Sullivan’s (2003) review of teleworking and homeworking definitions, she does not include information on employment status, rather she focuses on the integral contribution of ICT (also Felstead and Jewson, 2000; Baines and Gelder, 2003; Loscocco and Smith-Hunter, 2004). Thus even teleworking, a widely established terminology, is not without definitional issues, which have been superimposed onto the HBB phenomenon.

Confused terminology is also evident in other academic and governmental research. For example, Mason *et al.* (2011) quote statistics from several different sources to report on HBBs in the UK. They use: a 2005 Labour Force Survey Trend Report which uses figures for teleworkers (which fit the Cifre *et al.* (2002) definition); Global Entrepreneurship Monitor (GEM) figures which define a HBB as businesses having the same postal address as home; and finally, Business, Enterprise and Regulatory Reform (BERR) statistics which use similar criteria as GEM but only apply to businesses during start-up phase. Other papers also lack definitional criteria (see Thompson *et al.*, 2009; Folmer, 2014). Thus, the HBB phenomenon is inconsistently defined and applied in academic studies, which has significant knock-on effects on data collection and interpretation.

Despite these issues, the HBB definition proposed in Dwelly *et al.* (2005), one of the earlier pieces of HBB-based research commissioned on behalf of the Commission for Rural Communities, is that most often used by UK-based academic researchers (see

Newbery and Bosworth, 2010; Mason *et al.*, 2011). According to Dwelly *et al.* (2005), a HBB is:

“any business or self-employed person that uses a residential property as a base from which they run their operation – consciously doing so instead of running a separate workspace/shop/office” (p. 3)

However this definition is not without flaws. It leads to a significant definitional schism: namely it implies that a business does not actually have to be operated within/at the home, but can be operated *from* the home and still be labelled a HBB. According to leading authors in this field Felstead and Jewson (2000), a “crucial conceptual distinction concerns the extent to which work is spatially located within the place of residence” (p.20). Thus a key feature of HBB is the nexus of entrepreneurship within a domestic space which necessitates distinction between work undertaken *at* and *from* home, thus defining a new research area (Berke, 2003; Tietze *et al.*, 2009). However, this dual distinction of home as ‘location where business is undertaken’ and ‘home as base’ is common across the other research in this field. For example, Walker’s (2003) Australian study uses information collected by the Australian Bureau of Statistics which utilises this dual strand definition (also Soldressen *et al.*, 1998; Ekinsmyth, 2011; Wyncarczyk and Graham, 2013). Previous attempts to rectify the *at/from* home distinction by using the term ‘homeworker’ ultimately excluded entrepreneurs or those operating small businesses at home due to their heterogeneity (see Felstead, 1996); further evidence of the complexity of defining HBB activity.

In contrast to Felstead’s (1996) exclusion in his research of those operating small businesses, business ownership and/or self-employment have been used as evidence of a HBBs’ existence, especially in US-based research (Edwards and Field-Hendrey, 1996; Soldressen *et al.*, 1998; Loscocco and Smith-Hunter, 2004). This is also true of the UK where according to Business Link UK (2012), most people who operate from home are registered as self-employed or sole traders. However, to further complicate matters, it appears that the legal distinction of self-employment may also apply to the teleworker label, with Ruiz and Walling stating that teleworkers can be “...employee, self-employed, homeworker”, reporting that 62 per cent of their sample were self-employed (2005, p. 418; also Felstead, 1996; Cifre *et al.*, 2002).

Therefore, it is evident that as yet there is no clear or consistent language, definition or legal status (i.e. self-employed or employee) that can be applied to HBBs that would clearly distinguish them from other businesses/type of home-working. Moreover, as Felstead *et al.* (2000) state, the purpose of investigating those who work at home is to assess the impact of overlapping 'worlds', which is often missed by 'loose' terminology if only assessing individuals on the basis of working 'mainly' from home as has been the case in several of the existing research papers. Similar issues are replicated in the research exploring the business and personal characteristics of the sector. Thus, as identified by Pratt as early as 1987, it is likely that HBB sits across a spectrum of business activities and deeper examination is required.

2.2.2 Characteristics of home-based business and their owners

Research investigating HBBs has been conducted across several Western, and on occasion, developing nation contexts. These include the USA (Loscocco and Smith-Hunter, 2004), Canada (Bryant, 2000), Australia (Walker, 2003; Nansen *et al.*, 2010; Walker and Webster, 2004), New Zealand (Wilson *et al.*, 2004), and South Africa (Tipple, 1993; Tipple, 2005). The majority of the studies are UK-based though (e.g. Thompson *et al.*, 2009; Newbery and Bosworth, 2010; Ekinsmyth, 2011). The greater part of existing research has sought to describe the business and owner characteristics of a HBB and in doing so to 'unmask' these 'invisible' businesses (Dwelly *et al.*, 2005; Enterprise Nation, 2009; Mason *et al.*, 2011).

Findings within the literature generally show no consistent picture of what constitutes a HBB and its owner. For example, the number of hours worked in a HBB follow a bell curve such that owners either work long hours (40 hours plus per week) or shorter hours (less than 35 hours per week), with HBBs at greater extremes of the curve than non-HBBs (e.g. Edwards and Field-Hendrey, 1996; Thompson *et al.*, 2009). Second, researchers do not agree on the most prominent geographical location for HBBs. HBBs are more prevalent in rural areas according to Mason *et al.* (2011), Dwelly *et al.* (2005) and Phillips (2002). Others report higher concentrations in urban areas (see Edwards and Field-Hendrey, 1996; Wilson *et al.*, 2004; Enterprise Nation, 2009).

In contrast, the resource characteristics of HBBs show greater consistency in the research. First, studies show that HBBs tend to have smaller amounts of initial capitalisation or are self-financed (e.g. Soldressen *et al.*, 1998; Loscocco and Smith-Hunter, 2004; Newbery and Bosworth, 2010). Second, findings show that HBB owners have higher levels of educational attainment than non-HBBs, but lower levels of previous business experience (e.g. Jurik, 1998; Felstead *et al.*, 2000; Mason *et al.*, 2011).

In general, it has been the case that several 'urban myth' assumptions regarding HBBs have emerged and remained persistent. That is HBBs are:

- operated by women
- facilitated by, and are increasing in number because of, technology developments
- clustered in homogenous business sectors (knowledge/services)
- non-growth-orientated (turnover and employment), therefore remain micro businesses and thus lack economic contribution
- either start-ups or part-time 'hobby' businesses

(Walker, 2003; Dwelly *et al.*, 2005; Newbery and Bosworth, 2010; Mason *et al.*, 2011)

This is despite academic research which has sought to refute them (Walker, 2003) or 'mapping', and other, studies which find contrary evidence (Newbery and Bosworth, 2010; Mason *et al.*, 2011). Nevertheless, much academic investigation of HBB has coalesced around these (assumed) central themes. For example, many academic studies focus on gender in HBBs exclusively selecting female samples or have implicitly placed technology at the core of HBBs. Finally, rhetoric about 'lifestyle' or 'hobby' businesses has led to assumptions that HBBs are not entrepreneurial as they lack the necessary economic contribution indicators. These assumptions will now be discussed in detail (economic assumptions were previously summarised in the introduction to section 2.2).

Gender

It is commonly assumed that HBBs are operated by women perhaps because the concept of 'home' appears to be linked to ideas about gender (e.g. Saunders, 1989; Jurik, 1998; Felstead and Jewson, 2000; Di Domenico, 2008). HBB research to date has adhered to this assumption with a large proportion of the few extant papers focussing on women in HBBs. However, HBB owner demographic data appears to refute this urban myth, with several studies reporting higher percentages of *male* HBB owners. For example, in Rowe *et al.*'s (1999) US research, 56 per cent of their rural HBB sample were male; in English rural districts the percentage was 60 (Dwelly *et al.*, 2005); and in Walker's Australian research (2003), men comprise 70 per cent of HBB owners (see also Loscocco and Smith-Hunter, 2004; Ruiz and Walling, 2005; Mason *et al.*, 2011). There are papers within the collection which contradict the dominance of males engaging in HBB however. Edwards and Field-Hendrey's (1996) review of the 1990 American Census, found that 59 per cent of HBBs were operated by women, and in practitioner-led research, Enterprise Nation (2009) report that 71.3 per cent of their sample were female.

The additional assumption is that women engage in HBB as a means to manage work-life conflict which arises as a consequence of their oft perceived 'dual role' – that of carer and site of capitalist production (Kirkwood and Tootell, 2008; e.g. Walker *et al.*, 2008; Ekinsmyth, 2013). Several empirical studies have found this to be the case (e.g. Holmes *et al.*, 1997; Ekinsmyth, 2011; Wynarczyk and Graham, 2013). Nevertheless, studies are beginning to emerge which question the proposed gender-work-life balance relationship. For example, Kapasi and Galloway (2015) find in their study of UK HBBs that for both male and female owners maximising WLB via HBB creation/operation was important and both genders experienced WLB issues during HBB operation. Furthermore, Mason *et al.* (2011) did not find that there were considerably higher concentrations of women engaged in business activities operating HBBs in comparison to non-HBBs (14 per cent versus 10 per cent respectively) in their UK study. Additionally, the most recent report from Enterprise Nation (2014) found that whilst 64 per cent of their sample were female, of them, only 28 per cent had children under 10, with the inference being that operating a HBB is not necessarily predominant amongst adults (i.e. females) with childcare responsibilities (also Mason

and Reuschke, 2015). Australian empirical research conducted by Stanger (2000a) also found that HBB performance was not affected by children within the HBB household. Findings similar to an American study of women small business owners conducted by Loscocco and Smith-Hunter (2004) who found that there were no significant characteristic differences between those operating a HBB and those operating non-HBBs, e.g. marriage, age and number of children (except in terms of human capital). Therefore, the focus of academic research on gender and its link to the HBB model (and its performance) may be unfounded.

The role of technology

It is assumed that technological developments – greater access to software and hardware – facilitate HBB due to cost considerations and the flexibility of location inherent in an e-commerce offering (Mason, 2010). For example, according to Enterprise Nation (2009), 81 per cent of their sample (n=1230, which all responded to an *online* survey) reported that technology is “critical to the success of my business” (p.46). The centrality of technology to HBB is also frequently cited in academic literature (e.g. Edwards and Field-Hendrey, 1996; Bryant, 2000; Ammons and Markham, 2004). However, empirical research has found mixed results. For instance, on one hand Mason *et al.* (2011) report that HBBs are almost three times as likely than other SMEs to generate over half their income from e-commerce, yet they also find that only 10 per cent of e-commerce sales account for over 50 per cent of turnover in UK HBBs. It is possible that there is an assumed (dominant) role for technology with 'information technology' businesses consistently reported as a significant proportion of the HBB sector (e.g. Wilson *et al.*, 2004; Enterprise Nation, 2009; Mason *et al.*, 2011). In contrast, Daniel *et al.* (2014) report in their study of online HBBs that technology is rather an *enabler* for business owners who lack business experience, associated self-efficacy and who seek to reduce their risk factors both business and personal (also Wynarczyk and Graham, 2013). Enterprise Nation (2014) make similar comments, with findings to suggest that HBBs are often a first business. Therefore, rather than many HBBs being technology-driven, they are technology-enabled.

Sector

The HBB as a 'service' business remains the perceived 'norm', despite mixed empirical findings. For example Newbery and Bosworth (2010) report that of their rural English sample only a small percentage were engaged in business services concluding that the majority of (rural) HBBs do not fit a "knowledge intensive business services" profile (p.195). The largest proportion of HBBs operating a service business is reported in American findings: Edwards and Field-Hendrey (1996) find 70 per cent of HBBs engaged in services; of Rowe *et al.*'s (1999) rural sample, 45 per cent were involved in services; and Loscocco and Smith-Hunter (2004) report 37 per cent. UK figures are consistently lower. Dwelly *et al.* (2005) reports services at 30 per cent, Mason *et al.* (2011) report 36.4 per cent (business services – 17.4, computer and related activities – 10, financial services – 4.8, and personal services – 4.2), and Newbery and Bosworth (2010) report 18.7 per cent in business and domestic services. In contrast, the recent UK Enterprise Nation (2014) report finds that services (e.g. creative industries, business services, consulting) account for almost 80 per cent of their HBB sample, and suggest that this may be related to environmental and institutional changes in employment relations. Additionally, an Australian study finds that 50 per cent of their HBB sample were trades with only 15 per cent and 14 per cent engaged in personal and business services respectively (Walker, 2003). The presumed prevalence of service-based HBBs has led many studies to focus on service-based samples. However, in general 'mapping' research conducted in the UK, the findings indicate that there are other types of business sector represented by HBB. For example, in Newbery and Bosworth (2010) they find that 80 per cent of the HBBs in their rural English study are found across five sectors. As previously reported business and domestic services account for just under 20 per cent and the remaining sectors are hospitality (28.8), retail (13.2), manufacturing (7.7) and construction (11.7). Mason *et al.* (2011) report that 83 per cent of UK HBBs are found across 12 different sectors (36.4 per cent are services) with other key sectors including construction (16.5), retailing (7.0), and manufacturing (5.5). These findings would suggest that HBB sector activities extend beyond the services label.

To summarise, attempts to identify the characteristics of HBBs are found to be compromised by contradictions as a result of HBB being differently defined in different

empirical studies. Home-based construction businesses are one particular example that illustrate the at/from home ambiguity of many previous studies. In fact, definitions of the various features are inconsistent too. For example, Soldressen *et al.* (1998), in defining 'service industries', refer to services and services-trades, Loscocco and Smith-Hunter (2004) to business and personal services, and Newbery and Bosworth (2010) to business and domestic services. Moreover, some research has used purposive sampling, with a concentration on 'white collar' workers to investigate knowledge work in HBBs (e.g. Ammons and Markham, 2004).

Thus, there are several aspects of HBB research, notably the assumptions that underpin much research, which offer limited foundations from which to build knowledge. These are summarised in Table 1. Consequently, it is necessary to clarify the HBB concept generally and in this study. This is the purpose of the following section, which presents a conceptual typology that informs this study.

| Literature/Assumption | | Author(s) |
|------------------------|---|---|
| Economic | Trend towards HBB, especially in rural economies | Rowe <i>et al.</i> (1999); Enterprise Nation (2009); Enterprise Nation (2014); Phillips (2002); Dwelly <i>et al.</i> (2005) |
| | HBBs demonstrate growth indicators (e.g. orientation, household contribution) | Walker (2003); Dwelly <i>et al.</i> (2005); Enterprise Nation (2009); Mason <i>et al.</i> (2011); Enterprise Nation (2014); BIS (2014); Mason and Reuschke (2015) |
| | Growth types specific to HBB: outsourcing, sub-contracting | Dwelly <i>et al.</i> (2005); Mason <i>et al.</i> (2011); Enterprise Nation (2014) |
| | HBBs lack growth indicators (e.g. employees, turnover) | Soldressen <i>et al.</i> (1998); Phillips (2002); Loscocco and Smith-Hunter (2004); Thompson <i>et al.</i> (2009); Newbery and Bosworth (2010); Ekinsmyth (2011) |
| Non-economic | Work-life balance | Felstead <i>et al.</i> (2002); Bryant (2000); Shaw <i>et al.</i> (2000); Jurik (1998); Moore (2006); Walker <i>et al.</i> (2008); Tietze <i>et al.</i> (2009) |
| | Combat disadvantage – disability, presence of children, retirees and hobbyists. | Pratt (1987); Jurik (1998); Soldressen <i>et al.</i> (1998) |
| Characteristics | Hours worked in HBB are long (>40 hours) | Edwards and Field-Hendrey (1996); Walker (2003); Tipple (2005); Enterprise Nation (2009) |
| | Hours worked in HBB are short (<35 hours) | Rowe <i>et al.</i> (1999); Loscocco and Smith-Hunter (2004); Thompson <i>et al.</i> (2009); Mason <i>et al.</i> (2011) |

| | |
|---|---|
| HBBs more often found in <i>rural</i> areas | Felstead and Jewson (2000); Phillips (2002); Dwelly <i>et al.</i> (2005); Newbery and Bosworth (2010); Mason <i>et al.</i> (2011) |
| HBBs more often found in <i>urban</i> areas | Edwards and Field-Hendrey (1996); Wilson <i>et al.</i> (2004); Enterprise Nation (2009) |
| Low amounts of initial capitalisation or self-funded | Soldressen <i>et al.</i> (1998); Loscocco and Smith-Hunter (2004); Newbery and Bosworth (2010) |
| HBB owners have high levels of human capital attainment (not including business experience) | Jurik (1998); Soldressen <i>et al.</i> (1998); Felstead <i>et al.</i> (2000); Loscocco and Smith-Hunter (2004); Newbery and Bosworth (2010); Mason <i>et al.</i> (2011) |
| Gender – HBBs are run by women for WLB reasons | Edwards and Field-Hendrey (1996); Holmes <i>et al.</i> (1997); Kirkwood and Tootell (2008); Walker <i>et al.</i> (2008); Enterprise Nation (2009); Ekinsmyth (2013); Wynarczyk and Graham (2013) |
| Technology as a causal factor | Edwards and Field-Hendrey (1996); Bryant (2000); Ammons and Markham (2004); Wilson <i>et al.</i> (2004); Enterprise Nation (2009); Mason (2010); Mason <i>et al.</i> (2011); Wynarczyk and Graham (2013); Daniel <i>et al.</i> (2014) |
| Knowledge and business sectors dominate | Edwards and Field-Hendrey (1996); Rowe <i>et al.</i> (1999); Loscocco and Smith-Hunter (2004); Ammons and Markham (2004); Mason <i>et al.</i> (2011); Enterprise Nation (2014) |

Table 1. Home-based business literature/assumptions

2.2.3 Home-based business typology

As previously discussed, there is a lack of clear definition for HBB. Consequently, the potential of previous and future HBB research is limited. This gap in knowledge informs research question one, what are the key dimensions of a home-based business? Thus, a typology that outlines how the HBB is conceptualised in this study provides a partial answer to RQ1 and a theoretical framework for this research.

To date, several authors have listed classification 'categories' for 'home-as-place-of-work'. For example, Newbery and Bosworth (2010) propose three categories which cover the role of home in relation to business; Shaw *et al.* (2000) propose four categories which cover types of work that could be conducted in the home; Walker and Webster (2004) propose four categories based on the motivations of those who are engaged in HBB; finally Baines and Gelder (2003) propose four categories which focus on the impact that the business has on the family.

The typology proposed in this thesis is structured within the entrepreneurship paradigm. This enables distinction of independent economic activities from employee status and relates the typology to the definition of entrepreneurship utilised in this study (i.e. associated with growth, see page 28).

Two axes labelled human capital and location are proposed. The y-axis refers to human capital, and this is used here because of the criticality of human capital to the quality of a HBB. Following Becker (1964), Unger *et al.* (2011, p. 343) define human capital in their meta-analysis as "skills and knowledge that individuals acquire through investments in schooling, on-the-job training, and other types of experience". Human capital has been used in entrepreneurship research to explore: its importance to nascent entrepreneurs (Davidsson and Honig, 2003; Dahl and Sorenson, 2012); its relationship to business longevity via financial capital accumulation (Bates, 1990); its relationship to serial entrepreneurship (Amaral *et al.*, 2009); and generation of new business ideas (Gabrielsson and Politis, 2012). It has also been employed in studies specific to HBB. Mason *et al.* (2011) refer to knowledge workers who have high levels of educational attainment (also Mason, 2010); Loscocco and Smith-Hunter (2004) refer to human capital as a means of comparison within their sample; and, Tietze *et al.*

(2009) make a distinction between manual and non-manual work. Furthermore, Tietze *et al.* define knowledge workers as "workers who engage in analytic-symbolic work and use particular bodies of knowledge to solve work problems" (p.591). This definition mirrors the home-based work research of Felstead *et al.* (2000) who conceive of a relationship between human capital (i.e. education, skills and training) and manual versus non-manual work. Thus, the decision to use human capital as a key typology characteristic additionally reflects the influential work of Felstead and Jewson (2000) in which they use the term *discretion*. Discretion is defined as "the extent to which qualities of judgement, problem-solving, decision-making and originality are the key attributes of the labour process" (ibid. , 2000, p. 5). Therefore, influenced by previous research, the proposition here is that a relationship exists between the human capital requirements of the self-employment 'job' role and the discretion they may have in their workplace, be it at home or otherwise. For these reasons, human capital is considered to be a valid delineator within the HBB sector.

The x-axis refers to the location in which work is undertaken and seeks to resolve the dual strand issue of home as a base/registered business address and those who actually work within the home operating their business (this is distinct from, but inclusive of, where the home *is* the business).

The proposed framework for a HBB typology is shown in Figure 1:

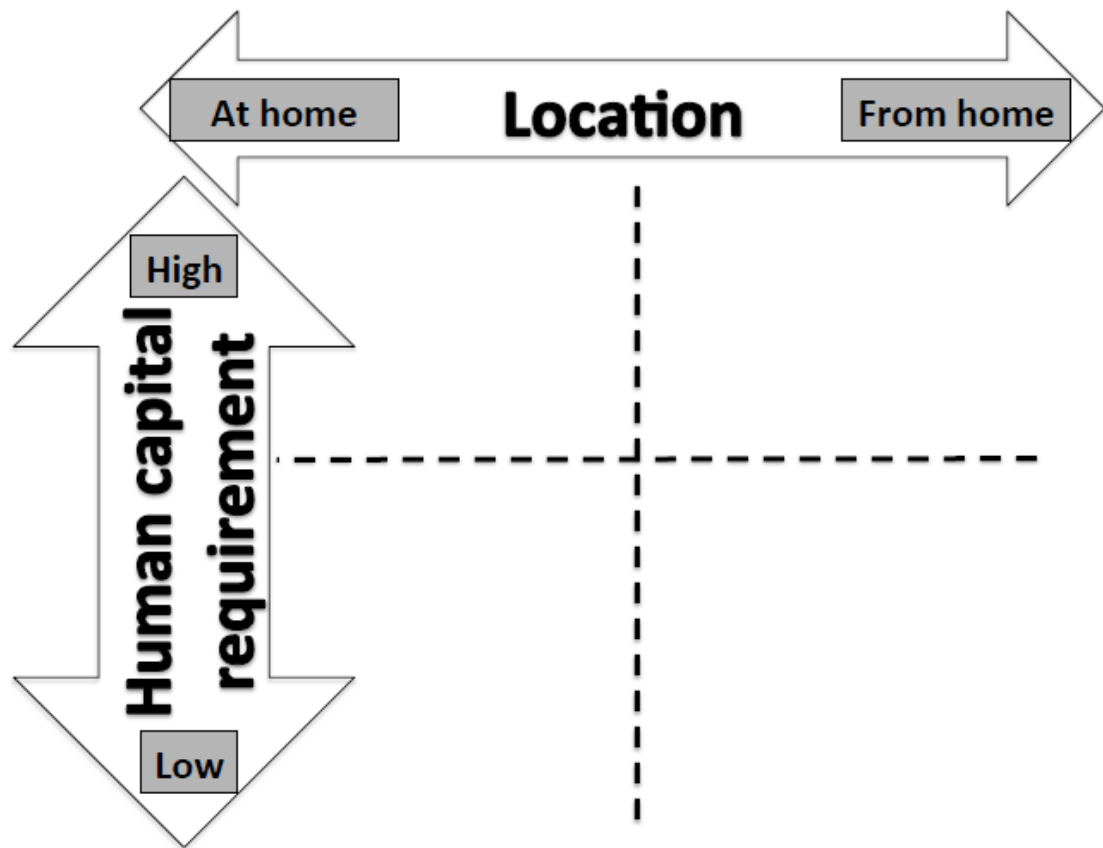


Figure 1. Home-Based Business Typology

This typology seeks to resolve the current issues around defining and measuring heterogeneous home-based entrepreneurship activities, with the aim to more accurately identify those that engage in *home-based business* distinct from other forms of entrepreneurial activity or employment-based home-working. The typology outlined above provides four related but distinct quadrants; each will be discussed in turn.

High human capital within the home

The first quadrant refers to businesses operated within the home and that have high human capital requirements. The businesses are mainly knowledge-led, non-manual and service orientated. As per consideration of 'discretion', these types of businesses are associated with control and decision-making.

High human capital from the home

This quadrant refers to businesses that have high human capital requirements but where work is conducted from or outside the home, using the home address as the business address for convenience and tax purposes.

Low human capital within the home

This quadrant refers to business conducted inside the home with low human capital requirements. These are often associated with "low value added services" (Baines and Gelder, 2003, p. 225) that offer poor returns (Thompson *et al.*, 2009). Previous research has found that those opting for the kinds of businesses included in this category may do so due to low barriers to entry related to financial, human and social capital (Thompson *et al.*, 2009; Mason *et al.*, 2011; Loscocco and Smith-Hunter, 2004). In addition, these businesses operate in highly competitive markets and have low discretion as they have "little power to determine payment and deadlines, and are often reliant on a small number of clients" (Thompson *et al.*, 2009, p. 228).

Low human capital from the home

This quadrant refers to businesses that operate from or outside the home and have lower levels of human capital requirements. This form of HBB is often reported as the largest segment of HBB as it is common for those in the trades/construction industry to have their business listed at the home address, but undertake a significant proportion of their work outside the home, in the homes and businesses of others (see Walker, 2003; Ruiz and Walling, 2005; Newbery and Bosworth, 2010; Mason *et al.*, 2011). This is different to others primarily on the basis that the majority of the business owner's time is not spent in the 'conflict zone' of home.

The typology proposes four distinct, yet related, quadrants that broadly categorise businesses which have, to date, been classified elsewhere as home-based businesses. This study diverges from others in that HBB is considered exclusively as *business* that takes place *within* the home. Thus for this study a HBB is represented only in the quadrants *high human capital requirement within the home* and *low human capital requirement within the home*.

2.2.4 Summary

As noted, entrepreneurship tends to be associated with economic measures such as growth, value creation, employment figures, and innovation as per the academic literature. Entities which are perceived as low value have largely been excluded from studies of entrepreneurship and much of the research within the field (Anderson and

Ullah, 2014). HBBs are predominantly clustered in the micro business category and are associated with low-growth orientation and low economic contribution. Additionally, the common view of HBBs as gendered and operating within a homogenous industry sector driven by technology seem to be assumed rather than evidenced suggesting a lack of robust knowledge.

In line with much of the research on HBB business characteristics, Carter *et al.* (2004) claim that the reasons behind starting a HBB are deliberate business decisions (e.g. cost reduction, business type and convenience) (also Walker and Webster, 2004; Jennings and McDougald, 2007). Newbery and Bosworth (2010, p. 186) however, note that "it is the experiences and motivations of each individual that are seen to be defining features of their businesses" (also Berke, 2003; Raymond *et al.*, 2013). In addition, HBBs are assumed to operate very often on a 'lifestyle' basis which infers a lack of economic contribution defined as growth in profits and employees. However, the extent to which 'entrepreneurship' thus defined is found amongst HBBs is unknown. Despite these uncertainties, the HBB concept has been framed within the entrepreneurship literature. In order to consider the position of HBB within the entrepreneurship paradigm, it is to consideration of this factor that discussion now turns.

2.3 Entrepreneurship

There are a plethora of different approaches to classifying entrepreneurship and as a consequence it remains elusive and hard to define. Subsequently, there are many labels which are given to 'entrepreneurial' activity. For example, self-employment is a well-established proxy measure for entrepreneurship (Katz, 1990; Thurik *et al.*, 2008; Verheul *et al.*, 2012) as self-employment involves value creation and therefore is an embodiment of entrepreneurial activity (Praag and Ophem, 1995). Similarly, small business ownership and SMEs are often investigated when considering 'entrepreneurship' (e.g. Carland *et al.*, 1984; Cunningham and Lischeron, 1991; Bruyat and Julien, 2001; Grant and Perren, 2002). As a result, the term entrepreneurship can apply to several different concepts. However, central to entrepreneurship is its historical base in economic literature (Bruyat and Julien, 2001; Landstrom *et al.*, 2012). Consequently criteria such as wealth creation, job creation, innovation and growth

have become central to the idea of entrepreneurial activity, however defined (Carland *et al.*, 1984; Kao, 1993; Steyaert and Katz, 2004). Thus in business “the economic motive is taken for granted” (Wiklund and Shepherd, 2003, p. 1991). Moreover, according to Mueller *et al.* (2008, p. 59), businesses that do not contribute to overall economic growth are “the wrong type of entrepreneurship”.

In this research, an entrepreneurial venture is thus defined:

"the principal goals of an entrepreneurial venture are profitability and growth and the business is characterized [...] principally by innovative behaviour and will employ strategic management practices" (Carland *et al.*, 1984, p. 358)

The pursuit of growth legitimises, and provides the measure of an activity as entrepreneurial and vice versa (Aldrich and Martinez, 2005; Rehn *et al.*, 2013). Growth within a business is often evidenced by increases in turnover, employment figures and contribution to GDP (OECD, 2010). Academic research has often reported a causal relationship between self-employment/small business creation and economic development, and more recently economic recovery, which has become established and reinforced in political agendas (Perren and Jennings, 2005; Carree and Thurik, 2005; Tedmanson *et al.*, 2012; Kiviluoto, 2013). This has cascaded also to public policy and popular media (e.g. Cowling, 2003; BIS, 2010; Hemming, 2011; The Economist, 2012; Eikhof *et al.*, 2013; Lord Young, 2013). Positive assumptions about the utility of entrepreneurship infiltrate the wider economic and political environment and have begun to delineate the field "more acutely than its internal definition" (Rehn *et al.*, 2013, p. 3; also Ogbor, 2000; Berglund and Johansson, 2007; Tedmanson *et al.*, 2012). Kiviluoto reports "an almost obsession [with] growth" (2013, p. 4) among world-wide popular press. Thus, the growth of wealth is a 'norm' in capitalist cultures and pursuit of entrepreneurial activity, defined as growth, is considered a good use of time and skills (Ogbor, 2000; Aldrich and Martinez, 2005). The prevalence of 'growth' as *the* virtuous indicator of entrepreneurship in Government and practitioner literature is common (e.g. BIS, 2010; Experian, 2010; Jaffa and Cave, 2011; Lord Young, 2013).

In the UK context, the focus on growth is present irrespective of political party. For example, the Labour Party's *Fulfilling the Promise of British Enterprise* (Doughty, 2011) encourages small business to "flourish and prosper" in order to contribute to

"productive wealth creation" (p.1). This rhetoric is similar to the Conservatives business policy 'headline': "The Government believes that business is the driver of economic growth and innovation" (Conservatives, 2013). Moreover, the perceived value of business is transferred into Government policy interventions such as tax designations for small businesses and the self-employed; with particular focus on new business start-ups that are growth orientated (Allinson *et al.*, 2013, p. vii). Thus, entrepreneurship has become a policy maker's tool by which to facilitate their main priority of job creation (Steyaert and Katz, 2004). In addition, academic and practitioner research is encouraged to find recommendations which can facilitate growth behaviours in small businesses (e.g. Cowling, 2003; Experian, 2010; BIS, 2010; Jaffa and Cave, 2011).

However, while growth is commonly associated with the conception of entrepreneurship, growth and/or growth-related outcomes in businesses are not necessarily the norm for business. This is shown to be the case in the quantitative and qualitative findings of Kiviluoto (2013) whose research examined the growth results of Finish companies between 2006-08, during which time Finland was ranked sixth in the Global Competitiveness Report. His results show that the assumption that sales growth is an indicator of firm success is unproven as growth is a multi-dimensional concept which often depends on whose definition of success is utilised (*ibid.*). These findings reflect much recent research which questions the assumed pursuit or exhibition of growth by SME firms, finding that many do not conform (Levie and Lichtenstein, 2010; Anderson and Ullah, 2014). For example, Levie and Lichtenstein (2010) challenge the traditional stages theories of growth finding that the entrepreneur, the environment and the opportunity to create value all affect the ability of a business to grow and its growth pattern. Hessels *et al.* (2008) found that the 'independence' motivation was the most prevalent in Western countries, rather than wealth-creation, and that this is not necessarily associated with growth aspirations or results. Thus, what these findings suggest is that there is an underlying supposition that firms can be categorised as *either* lifestyle *or* entrepreneurial, where entrepreneurial means growth-orientated, with the further assumption that these are discrete categories as opposed to existing along a scale. Further, on this basis, according to Hessels *et al.* (2008), governments are shifting their focus from new firm formation to encouraging high-growth (orientated) firms as a means to achieving economic growth. This is suggestive of the

complexity of growth and entrepreneurship as concepts, and raises questions about how entrepreneurship is conceived, defined and used in practice.

2.3.1 Challenges to the dominant conception of entrepreneurship

According to Jones and Spicer (2005) "the defining feature of entrepreneurship discourse is the consistent and congenital failure to identify the entrepreneur positively" (p.235, also Berglund and Johansson, 2007). The problem with defining entrepreneurship is that it represents a multitude of different conceptions, or as Jones and Spicer (2005) propose, 'an empty vessel' to be filled by any number of characteristics. For example, 'entrepreneurship' has begun to encompass activities such as intrapreneurship and social entrepreneurship, which reframe the concept, consequently undermining the centrality of business creation and growth (Steyaert and Katz, 2004; Rehn *et al.*, 2013; Williams and Nadin, 2013). Thus, it is suggested that entrepreneurship is not a concept in its own right, but a moving target to which people attach new meanings to meet their needs (Jones and Spicer, 2005).

This is also the case in the academic community. According to Tedmanson *et al.* (2012) the main entrepreneurship journals are resistant to challenges to the 'orthodox' (economic-based) view of entrepreneurship (also Perren and Jennings, 2005; Rehn *et al.*, 2013). Thus a critical approach is required (Steyaert and Katz, 2004; Perren and Jennings, 2005; Rehn *et al.*, 2013). Several special editions of journals have emerged as a result of calls for research using alternative interpretations of 'entrepreneurship' (e.g. Critical Perspectives of Entrepreneurship Research (2012), *Organization* **19** (5); Alternative Perspectives on Entrepreneurship Research (2005), *Entrepreneurship Theory & Practice* **29** (2)). Additionally, Steyaert and Katz (2004) request diversity in the conceptualisation of entrepreneurship. Thus, there are calls to look beyond the 'popular' face of entrepreneurship to: 1) different spaces (i.e. not Silicon valley, rather the home, or village, etc...); 2) different discourse (move beyond discussing, assuming or inferring that there is a (direct) relationship between entrepreneurship and economic success) or framing discussion in economic terms; and finally, 3) to view entrepreneurial behaviour as normal, rather than special or different and thereby associated with the 'hero' figure of Western entrepreneurialism (*ibid.*; also Berglund and Johansson, 2007).

Consideration of the methods used to collect data have been criticised too. Previously methods have been dominated by mathematical measurement of growth as a way to 'control' concept complexity and remain objective, and these have become established in the field (Ogbor, 2000). O'Boyle *et al.* (2014) conducted a systematic analysis of meta-analytic studies and identified both publication bias and a dominance of statistical approaches, recommending that more qualitative research would counter this limitation. Rehn *et al.* (2013) and Kiviluoto (2013) have several concerns about growth as a variable, for instance: growth is difficult to measure in the first instance; the *type* of growth measured varies; there is difficulty in linking micro and macro growth; and finally growth is conceived as a multi-dimension concept by those operating businesses (also Carree and Thurik, 2005). In addition, a recent study by Clarke *et al.* (2014) considers that the biology-based metaphor *growth* and its corresponding reference to evolution and survival of the fittest has limited applicability to entrepreneurship.

Similar to the focus on growth, conceptualisations of entrepreneurship as an agency-driven activity dominate. As early as the 1980's, Katz and Gartner (1988) theorised that entrepreneurship can be considered from two different standpoints: process (which considers the cognitive practices of agency) and structural (recognition of the role of social and environmental context); or a mixture of these two perspectives (also Aldrich and Martinez, 2005). Thus, structure and agency are central to how entrepreneurship can be understood. Within entrepreneurship research, agency has been overwhelmingly dominant as personality-based approaches to understanding the phenomenon have been privileged (Gartner, 1989; Berglund and Johansson, 2007; Tedmanson *et al.*, 2012; Landstrom *et al.*, 2012). In particular "entrepreneurship is rooted in the heroic myth which defines the dominant, rational, European/North American male model" (Ogbor, 2000, p. 609). Others maintain that structural factors are the facilitators of entrepreneurial activity (e.g. Baumol, 1990). Nevertheless, despite views which exclusively preference structure or agency, there is a growing acceptance that whilst entrepreneurship may be agency driven, nonetheless it is affected by structural forces such as sociopolitical legitimisation (Bruyat and Julien, 2001; Aldrich and Martinez, 2005; Jones and Spicer, 2005). Thus, according to Landstrom *et al.* (2012) research is refocusing towards individual *in* context which

reflects Gartner's (1989) view that process and behaviour are evidence of entrepreneurship (also Elfving *et al.*, 2009).

In summary, despite the predominance of growth as a defining feature of entrepreneurship, recent research would suggest that growth is not necessarily a compulsory attribute of entrepreneurship. In addition, while entrepreneurship research has been preoccupied with individual agency, there is emerging greater consideration of the role of structure in shaping *who* and *what* in a business context. As micro firms based in the home, the centrality of the individual to the HBB should not be overlooked and nor should lack of growth be expected on an *a priori* basis. The outcomes of HBB are likely to be closely linked to the motivations, and motivating factors, of those who start them. Thus it is to the motivations of individuals to engage in business start-up, and in particular the choice to base a business in the home, to which attention is now directed.

2.4 Motivation

Motivation is a highly complex research area (Steel and Konig, 2006) and there are many theories of motivation; nevertheless, it is generally agreed that "thought influences action" (Weiner, 1972, p. 432). Consequently, individuals *actively* engage in the decisions they take, although they may not necessarily be able to attribute their actions to a specific motivation.

Motivation is defined as:

"the dynamic and directional (i.e. selective and preferential) aspect of behaviour. It is motivation that, in the final analysis, is responsible for the fact that a particular behaviour moves toward one category of objects rather than another" (Carsrud *et al.*, 2009, p. 154)

According to Naffziger *et al.* (1994) the purpose of research investigating business creation is to understand the *causes* of such *behaviour* which affects (success or failure) *outcomes* (also Bird *et al.*, 2012). A large body of academic literature has been dedicated to this, and several antecedents have been linked to small business creation including personality, social, environmental and structural factors (Carter *et al.*, 2003).

Historically, and also in some contemporary research, personality characteristics have been used to explain entrepreneurial pursuit (e.g. Bird, 1988; Carsrud and Brännback, 2011; Caliendo and Kritikos, 2012). For example, Johnson (1990) conducts a meta-review of the literature on 'need for achievement' (NAch) and its significant place in the study of entrepreneurship. Shaver and Scott (1991) also discuss NAch in their literature review along with the importance of locus of control for new venture creation (also Bird, 1988; Crant, 1996; Krueger, 2005; Schjoedt and Shaver, 2012). In addition, there are several other characteristics linked to entrepreneurial behaviour including: positive attitude to challenges, creativity, commitment, a 'proactive' personality, perseverance, risk-taking/risk propensity, tolerance for ambiguity and opportunity orientation, attributional style, self-efficacy and optimism (Crant, 1996; Kuratko *et al.*, 1997; Shane *et al.*, 2003; Steel and Konig, 2006; Nieß and Biemann, 2014). Entrepreneurs are thus often perceived as 'different' or 'special' in comparison to non-entrepreneurs based on their personality traits and characteristics (Douglas, 2009). According to Krueger *et al.* (2000), however, these kinds of approaches have poor predictability.

Shaver and Scott (1991) are forceful in their dismissal of the personality trait approach to understanding business creation motivation. The authors consider *cognitive processes* to be more relevant because they explain how information is processed (e.g. 'risk-taking' behaviour) rather than referring behaviour to static personality characteristics ('a risk taker') (ibid.). Additionally, Locke and Latham (2002) find that goal-setting is a more reliable indicator of action than personality traits and Praag and Ophem (1995) found that locus of control had no impact on the ability or willingness of individuals in their pursuit of business ownership (n=3790 white males).

Research using a cognitive framework to investigate motivations for engaging in business is now also well established in the small business literature (e.g. Gatewood *et al.*, 1995; Kolvereid and Isaksen, 2006; Carsrud and Brännback, 2011). Research based on cognitive process models has revealed differences between those who intend to pursue business creation and those who do not in student samples (Shepherd and Douglas, 1997; Krueger *et al.*, 2000; Krueger, 2005). Thus, research exploring business creation behaviour has moved beyond exclusively personality, demographic or situational characteristics towards cognitive models underpinned by intentions and

motivations (e.g. Naffziger *et al.*, 1994; Crant, 1996; Shepherd and Douglas, 1997; Verheul *et al.*, 2012). Moreover, the intentions and motivations of a business owner have been found to affect their business behaviour and ultimately their business, its structure and outcomes (e.g. Feldman and Bolino, 2000; Wiklund *et al.*, 2003; Carsrud *et al.*, 2009; Jaouen and Lasch, 2013). Additionally, research has indicated that business outcomes act as signposts to the motivations and intentions that contributed to initial businesses creation (Shaver and Scott, 1991; Gatewood *et al.*, 1995; Carter *et al.*, 2003).

Carter *et al.* (2003) outline five different categories of business start-up motivation extrapolated from their review of literature (Table 2). These can be summarised as intrinsic and extrinsic reward categories and include tangible and intangible outcomes unique to the individual (Kuratko *et al.*, 1997; Cassar, 2007; Carsrud *et al.*, 2009):

| Intrinsic Motivations | Extrinsic Motivations |
|--|---|
| <ul style="list-style-type: none"> • innovation (personal development and learning) • independence (control, flexibility, freedom) | <ul style="list-style-type: none"> • recognition (need for approval, achievement, status, influence) • roles (role models) • financial success (high earnings, security) |

Table 2. Intrinsic and extrinsic motivations

Source: Carter *et al.* (2003)

Wealth is often reported as the primary extrinsic motivator for engaging in entrepreneurial activity (e.g. Kuratko *et al.*, 1997; Feldman and Bolino, 2000; Carter *et al.*, 2003; Cassar, 2007; Carsrud and Brännback, 2011), a response which fits with the previous discussion linking business creation with various forms of growth. Moreover, making money is considered integral to business survival. In addition, several other extrinsic motivations are identified in literature. These include, the recognition and status of entrepreneurship afforded to individuals in a social context (Hessels *et al.*, 2008). Dhaliwal (2000) found that status and recognition are particularly important in certain cultural contexts (e.g. Asian women). Carter *et al.* (2003, p. 22) propose that the status of entrepreneur as an "outlier" from the norm has changed and it is now

perceived as a credible job/career opportunity. Furthermore, Rotemberg-Shir and Wennberg (2011) equate the perceived "attractiveness of an entrepreneurial career" (p.10) with motivations to engage. Farmer *et al.* (2011) find that identifying with being 'an entrepreneur' has an impact on motivations to achieve that outcome. This may reflect the assessment of Segers *et al.* (2008) who discuss the impact of culture on individual's perceptions of pursuing business creation; thus, within capitalist economies, business creation is considered an attractive career option. Further, recent studies find that social legitimisation of 'entrepreneurship', for example via television programmes, contribute to business formation intentions (Swail *et al.*, 2014; also Liñán *et al.*, 2013). Another perceived benefit and potential motivator for pursuit of self-employment is its difference to organisational employment implied by its specific work characteristics and conditions. For example, self-employment is often viewed as an escape from bureaucratic organisations (Cohen and Musson, 2000; Feldman and Bolino, 2000; Hundley, 2001). Werner *et al.* (2014) find that employees who seek to reduce their work hours and perceive a negative comparison of wages to peers, were more likely to form entrepreneurial intentions. Similar is found by Lee *et al.* (2011). Finally, Bird (1988) has reported that changes at the macro level such as displacement, market changes, government deregulation have all been reported as motivations for business creation activity, although Segal *et al.* (2005) challenge this as they report that empirical evidence for the impact of contextual factors on business creation motivations is low. Nevertheless, several contemporary studies report that contextual factors, such as gender, country (including cultural and historical factors), and country economic status are influencers on forming entrepreneurial intentions (Bagheri and Lope Pihie, 2014; Lin and Si, 2014; de la Cruz Sánchez-Escobedo *et al.*, 2014, respectively).

According to Walker and Brown (2004, p. 585) non-economic concerns, such as "personal satisfaction, pride and a flexible lifestyle" are often prioritised over financial returns (also Kuratko *et al.*, 1997; Wiklund *et al.*, 2003; Shane *et al.*, 2003; Cassar, 2007). Hessels *et al.* (2008) report that *personal* intrinsic motivation factors, such as independence, are the primary category in Western/developed economies (also Feldman and Bolino, 2000; Orhan and Scott, 2001; McGowan *et al.*, 2011; Dawson and Henley, 2012). Research specifically exploring 'intention to pursue business creation' have acknowledged that lifestyle considerations, well-being and self-realisation affect

an individuals' intentions (Cassar, 2007; Carsrud and Brännback, 2011), with several other authors adding work-life balance (WLB), flexibility and job satisfaction to the list of intrinsic motivations (Dennis, 1996; Hill *et al.*, 2003; Arenius and Kovalainen, 2006; Rotemberg-Shir, 2010).

Of particular interest to the current study is the relationship between job and life satisfaction and self-employment. For example, several authors have reported that self-employed individuals are more satisfied with their jobs despite having to work longer hours and generate less (reported) income (Andersson, 2008; Benz and Frey, 2008; McGowan *et al.*, 2011). Furthermore, a direct causal relationship between self-employment and satisfaction has been identified; as Blanchflower (2004) states, "self-employment makes people happy, it is not the reverse direction of causality that it is happy people who decide to become self-employed" (p.22) (also Andersson, 2008; Álvarez and Sinde-Cantorna, 2014). Moreover, satisfaction is likely to be associated with the characteristics of self-employment. Hundley (2001) tested the difference between employed and self-employed and found similar results to Blanchflower in that the procedural utility of self-employment itself underpins satisfaction (also Benz and Frey, 2008; Schneck, 2014). This may be due to the control and autonomy that individuals perceive that they have over their actions and lives (Hundley, 2001; Blanchflower, 2004; Block and Koellinger, 2009; Álvarez and Sinde-Cantorna, 2014). However, the perceived satisfaction benefits of self-employment are not universal. Block and Koellinger's (2009) research concluded that pre-business circumstances influenced satisfaction levels; for individuals who had control over decision-making, life satisfaction was increased, but the opposite was true for those who had experienced self-employment in the absence of good economic alternatives (also Binder and Coad, 2013). Benz and Frey (2008) also argue that self-employment is significant for job satisfaction but potentially at the expense of life satisfaction.

Work-life balance has also been identified in the small firms' literature as a motivator for business. For example, in Jennings and McDougald's (2007) research, WLB was a primary motivator for nascent self-employed as it facilitated integration of business creation with family considerations (also Bird, 1988; Hughes, 2003; Wynarczyk and Graham, 2013). However, recognising that an opportunity exists to improve well-being through self-employment does not mean that an individual will have an intention to

enter self-employment for well-being reasons (Rotemberg-Shir, 2010). Parasuraman and Simmers (2001) find that despite increased levels of job satisfaction, self-employment is correlated with *higher* levels of work-family conflict, resulting in a 'trade off' between job and family satisfaction. This issue has been of particular pertinence in the HBB debate and will be discussed in greater detail in section 2.4.2.

2.4.1 Motivations and outcomes

In addition to research seeking to understand *why* individuals pursue business creation, research exploring business creators, using a variety of motivation models, has established a relationship between motivations and subsequent business outcomes (e.g. Naffziger *et al.*, 1994; Kuratko *et al.*, 1997; Wiklund *et al.*, 2003; Manolova *et al.*, 2012). As Krueger and Carsrud (1993) comment "initial choices by business founders have significant repercussions that persist long after firm emergence" (p.318). The results of the research can be categorised as focussing on 1) the means-end relationship (motivation for starting the business is a means to achieve a particular end (e.g. independence), or 2) growth.

In terms of means-end, Naffziger *et al.* (1994) for example, found that the outcomes sought were something the individual believed could be achieved through starting a business, which, according to Segal *et al.* (2005), subsequently affects intentions to pursue such activity (also Kuratko *et al.*, 1997; Feldman and Bolino, 2000). To this end, Hessels *et al.* (2008) analysed Global Entrepreneurship Monitor (GEM) data for 36 countries exploring the relationship between motivations and business outcomes. One result from the study are what Hessels *et al.* (2008) categorise as three mutually exclusive, motivation derived, business types (Table 3):

| Motivation | Business type |
|-------------------|--------------------------------------|
| Autonomy | Lifestyle |
| Wealth | Growth-orientated |
| Necessity | Driven (due to reliance on business) |

Table 3. Motivations and proposed business type

Source: adapted from Hessels *et al.* (2008)

As noted earlier in the SME literature on entrepreneurship, a significant proportion of the research has concentrated on (growth) motivations and their potential correlation with business growth outcomes. For example, in Wiklund *et al.*'s (2003) research investigating business owner expectations of the *consequences* of business growth, business growth decisions were affected across their whole sample (n=1248) (also Cowling, 2003). The relationship between expectations, and thus motivations, for growth is mirrored in research conducted by Delmar and Wiklund (2008), who explored small business managers' growth motivations, and concluded that "growth motivation is a relevant predictor of growth" (p.450)(also Mochrie *et al.*, 2006). Similarly, Manolova *et al.* (2012) find growth intentions were significant predictors in their nascent entrepreneur sample, with gender affecting the strength of the relationship. Cassar (2007) explored nascent business creators' career reasons finding a positive relationship between financial motivations and growth; and Hessels *et al.* (2008) used national level GEM data to conclude that wealth motivations were related to the number of jobs created by a business.

However, not all motivational aspirations are realised. McGowan *et al.* (2011) observed in their study of WLB among female business owners, that new ventures are often started with unrealistic expectations about potential outcomes (also Kirkwood and Tootell, 2008). Thus despite the perceived benefits associated with engagement in business activities such as independence, there may also be (unintended) negative outcomes. For example, Block and Koellinger (2009) and Hundley (2001) find that the self-employed work effort is greater than perceived benefits, especially financial compensation. Similarly, Feldman and Bolino (2000) find that isolation and time management and human resource management challenges are associated with self-employment, and Andersson (2008) found that the self-employed, whilst declaring good life satisfaction, experienced worse mental health than non-self-employed. In addition, there are several general pressures associated with being self-employed such as stress, exhaustion, working long hours and placing work before leisure (Hundley, 2001; Blanchflower, 2004). The long hours involved in self-employment, versus the preferred number of working hours, can contribute to work-life conflict (Bunk *et al.*, 2012). Some authors suggest however, that self-employment attracts individuals who are more able to balance the positives and negatives of the experience (Hundley, 2001;

Andersson, 2008; Patzelt and Shepherd, 2011). Nonetheless, it is hard to know the value that an individual may attribute to a particular outcome as the probability of, and aspiration for, achieving a particular outcome is changeable (Shaver and Scott, 1991), and personal and social contexts affect perceptions of outcomes (Elfving *et al.*, 2009).

Ultimately, pre-business motivations, decisions and circumstances seem to affect engagement in business creation and subsequent performance. Capturing attitudes, preferences, choices and motivations for business creation is thus integral to understanding the origins of the start-up decision and its effects on the business and its owner (Taylor, 1996; Dennis, 1996; McGowan *et al.*, 2011). As Kuratko *et al.* (1997) state "understanding entrepreneurial motivation is critical to understanding the complete entrepreneurial process" (p.24). Attention now turns to literature considering motivations for the creation of a HBB.

2.4.2 Why home-based business?

Research that considers business creation motivations specific to the home is limited (Walker, 2003). For example, academic investigation of HBB owner motivations, whilst incorporated in several studies (e.g. Jurik, 1998; Mason *et al.*, 2011; Vorley and Rodgers, 2012), does not unpick the importance (or not) of location and other antecedent factors. Similar is found in practitioner papers (see Dwelly *et al.*, 2005; British Telecommunications, 2008; Enterprise Nation, 2009, 2014). This may be because when considering motivations, the HBB has been likened to self-employment and small business, with Thompson *et al.* (2009) reporting for their all-female sample that motivations are similar irrespective of business location. Further as previously discussed, outcomes are often interpreted to be indicators of motivations (Carter *et al.*, 2003), such that in the case of HBBs small or no growth is therefore interpreted as reflecting a 'lifestyle' motivation.

As previously noted, self-employment or small business motivations include desire for control, flexibility, autonomy and independence. These person-based motivations are also relevant to HBBs. In addition, there are several social reasons proposed for why individuals may create a HBB, for instance the push of structural workplace-related

change (Jurik, 1998; Ammons and Markham, 2004; Ekinsmyth, 2011); developments in technology that facilitate remote working (Mason *et al.*, 2011); and the pull of caring responsibilities (Wynarczyk and Graham, 2013). Most notably Baines and Gelder (2003) propose that the HBB is a solution to workplace cultures which are not work-life friendly (also Ammons and Markham, 2004), with Hundley (2001) suggesting that the quest for autonomy through self-employment may also be an alternative response to managing WLB. In reviewing the HBB literature, two dominant motivation themes emerge: first, the 'business case' and second, the 'personal case', specifically the search for WLB.

Business

In the existing literature, two 'business case' motivators for HBB are reported: costs and business type. First, basing a business at home reduces overhead and start-up costs due to the dual use of one location and was found to be primary motivation in several international studies (e.g. Loscocco and Smith-Hunter, 2004; Wilson *et al.*, 2004; Walker and Brown, 2004; Newbery and Bosworth, 2010; Mason *et al.*, 2011). Further, in tandem with reducing costs is a reduction in (perceived) risk by creating a business in the home, either in terms of business (e.g. financial commitments) or personal factors (e.g. loss of reputation) (Daniel *et al.*, 2014). Second, in several studies the *type* of business was found to be a key motivator for locating within the home as many HBBs do not require an additional work space, which may explain the perceived prevalence of technology-led businesses (53.9 percent of sample, Enterprise Nation, 2009; Rowe *et al.*, 1999; Dwelly *et al.*, 2005; Ekinsmyth, 2011).

Personal

HBB is associated in much of the literature with freedom: it facilitates flexibility, control, quality of life and other personal internal reasons such as being "one's own boss, seeking personal challenge, personal development and recognition" (Walker, 2003, p. 42; also Loscocco and Smith-Hunter, 2004; Dwelly *et al.*, 2005; Hessels *et al.*,

2008; Mason *et al.*, 2011). These assumptions about HBBs have led academic research to focus primarily on this 'WLB' motivation.

In their extensive review of WLB definitions, Kalliath and Brough (2008) define WLB as:

"individual perceptions that work and non-work activities are compatible and promote growth in accordance with an individual's current life priorities" (p.326)

Many of the papers investigating HBB have taken a gender-led research approach, predominantly questioning the contribution of HBB to WLB for women (e.g. Baines and Gelder, 2003; Berke, 2003; Loscocco and Smith-Hunter, 2004; Walker *et al.*, 2008; Thompson *et al.*, 2009; Ekinsmyth, 2011). In this context, WLB most often refers to the ability of an individual (typically female) to manage their 'dual role' of work and home responsibilities (e.g. Edwards and Field-Hendrey, 1996; Felstead *et al.*, 2002; Bell and La Valle, 2003). While gender-informed studies dominate, consideration of the role that HBB may play in WLB is not limited to papers that explore female business. For example, Newbery and Bosworth (2010) whose research considers the rural dimension of HBBs, state "for each business owner, family and lifestyle concerns were important reasons for basing their businesses at home" (p.193). Additionally, Australian findings suggest that dependents affect business motivations for both genders (Walker *et al.*, 2008). In fact, of the papers that explicitly and implicitly report motivations findings, all but one mention WLB (i.e. Berke, 2003).

Studies of WLB in HBBs provide conflicting results however. For example, while the women who led HBBs in Loscocco and Smith-Hunter's (2004) study considered WLB of greater importance than those operating non-HBBs, findings did not show that perceived WLB was higher in the HBB group versus the non-HBB group. Other research has questioned the level of importance of WLB to HBBs; in Walker's (2003) initial research in this field, she found that personal internal motivations were more significant than seeking WLB, and Mason *et al.* (2011) report similar. In Walker's most recent research however (see Walker *et al.*, 2008), which specifically focuses on women and WLB, they found that WLB motivations for business start-up had slipped to fourth place, with financial reward now the primary motivator. Finally with regards to the impact of motivations to achieve WLB, again contrasting results are reported.

Loscocco and Smith-Hunter (2004) report that HBB does contribute to WLB because business owners are able to manage their work hours, although the consequence of this can be lower economic returns. In contrast, Walker *et al.* (2008) report that the economic consequences of a HBB (i.e. lower turnover in comparison to their stated primary motivation of financial reward) may undermine WLB objectives for many female HBB owners.

Push or pull?

While both business and personal factors are treated as discrete contributors to HBB, the extent to which each is easily categorised as push or pull is problematic. Gilad and Levine (1986) describe 'push' motivations arising as a result of "negative situational factors [which...] activate latent entrepreneurial talent" (p.46). In contrast, 'pull' motivations arise due to the individual being alert to "potentially profitable business opportunities" (ibid. p.46). However, studies have questioned the labelling of business creation motivators as following an either/or dichotomy (e.g. Hughes, 2003; Williams, 2008; Dawson and Henley, 2012). For example Dawson and Henley's (2012) study of motivations and their classification found that in a large UK sample a significant proportion reported conflicting motivations, i.e. a push *and* a pull. Further, the study identifies that what may initially appear to represent a pull motivation, for example flexible working arrangements to manage family commitments, may actually represent a push motivation. Moreover, these drivers are not only agency-based. For example, Jones *et al.* (2012) outlines several factors (e.g. changing workplace requirements), which may contribute to creating a 'push' context in which individuals pursue self-employment. Further, Williams' (2009) study of informal entrepreneurship finds that context is central to understanding why a business is created and thus a push/pull dichotomy is too simplistic an explanation.

This may also be true of the business/personal categorisation of HBB motivations, for example WLB is often positioned as a pull motivation but may be indicative of a push motivation. Further, Vorley and Rodgers (2012) find evidence of both push and pull factors motivating the decision to create a HBB (also Daniel *et al.*, 2014; Enterprise Nation, 2014). Thus, consideration of *why* a HBB is created is complex.

2.4.3 Summary

The motivations that cause business creation behaviour are of continued interest to researchers in the small business field. Approaches to gathering such data have developed from collecting personality-trait information to understanding intentions and motivations as predictors of behaviour. In the case of the HBB, research concentrating on start-up motivations has been limited in number and the findings reported mixed. This may be due to the peripheral nature of motivations to some research studies; assumptions regarding motivations clouding investigations; or due to the research approaches taken. Thus, the motivations for starting and operating a HBB remain relatively unknown; a gap in knowledge this research seeks to address.

2.5 Success: business and personal outcomes

According to van Praag (2003, p. 2) "Success [...] has no unique definition or measure". Despite this several classification attempts have been made (e.g. Carroll, 1993; Headd, 2003; Rogoff *et al.*, 2004; Simpson *et al.*, 2012). Most often, in measuring business success, priority has been ascribed to 'objective' measures of business performance. Consequently, success has been measured using:

- financial accountancy based terms (e.g. Marlow and Strange, 1994; Parasuraman *et al.*, 1996; Schutjens and Wever, 2000);
- business survival rates (e.g. Buttner and Moore, 1997; Haber and Reichel, 2005; Millan *et al.*, 2012);
- business duration (van Praag, 2003; Stefanovic *et al.*, 2010);
- firm size and growth (e.g. Carroll, 1993; Headd, 2003; Simón-Moya *et al.*, 2012).

However, there are several weaknesses in these approaches to measuring success. Economic 'success' criteria have often been collated from studies of large organisations rather than micro businesses, HBBs or the self-employed, and therefore, may lack relevance for these smaller organisations (Walker *et al.*, 1999; Loscocco and Bird, 2012). Furthermore, there are issues surrounding *who* defines success. For example, Watson *et al.* (1998) argue that defining success is entirely limited by those making the decision and by the data used. Further, Gimeno *et al.* (1997) point out that

performance and firm survival are not synonymous. Business owners may have several objectives which they want to achieve through their businesses, with financial results only one (ibid.) Watson (2010) concedes that small business owners in particular derive more than just financial utility from their businesses. Therefore, alternative approaches to 'measuring' business performance may be more suitable and indeed, 'success' research is beginning to acknowledge the uniqueness of individuals and businesses and the consequences of these inherent differences for describing and attributing business success (e.g. Fisher *et al.*, 2014).

In addition to considering how to measure success, research has also sought to understand factors that *cause* business success. In particular three categories – macro-economic factors, the firm, and the business owner – have been explored (Schutjens and Wever, 2000; Simón-Moya *et al.*, 2012). When considering business success in terms of the owner and their characteristics in particular, psychological traits, personality traits (e.g. independence and creativity), behaviour, and aspirations have been identified as causal factors (Hofer and Sandberg, 1987; Kalleberg and Leicht, 1991; Watson *et al.*, 1998; Stefanovic *et al.*, 2010; Simón-Moya *et al.*, 2012). Specifically, *motivations* have been central to research exploring success (Birley and Westhead, 1994; Watson *et al.*, 1998; Walker *et al.*, 1999; Alstete, 2008). Robichaud *et al.* (2001, p. 2) state that "motivation [is] one of the key elements in the success of small businesses" and according to Watson *et al.* (1998) start-up motivations have implications for the eventual success or failure of a business. Thus, motivation has been integral to several theoretical models of entrepreneurial performance (e.g. Cragg and King, 1988; Keats and Bracker, 1988; Kuratko *et al.*, 1997).

Within the business success literature, and especially for SMEs, the most significant amount of attention has focused on 'push' or 'pull' motivations and their apparent effect on business 'success' (Marlow and Strange, 1994). Intrinsic and extrinsic motivations have also been linked to success. For example, in a study of 315 Canadian entrepreneurs, intrinsic motivations were linked to lower levels of performance than those stating extrinsic motivators (Robichaud *et al.* 2001). Conversely, Headd's (2003) study, which used US Census data, found that intrinsic motivations such as WLB were positively linked to business survival (also Gimeno *et al.*, 1997). However, research has shown that motivations change over time, or cannot be sustained over time (Gielnik *et*

al., 2013). For example, Walker *et al.* (1999) found in their study of micro-businesses that start-up motivations were focused on financial stability for the business subsequently changing to personal success measures once the business was 'established'.

In light of the apparent importance of motivations, Marlow and Strange (1994) propose that "the success or failure of a venture should be assessed, at least initially, in terms of the founder's own motives for setting it up" (p.180). For example, Alstete (2008) found in his longitudinal study of 149 American business owners that personal motivations (independence and freedom) were prioritised as measures of success over financial rewards. Thus, recognition of the uniqueness of individuals and businesses is required as success is framed by the individual in context (Robichaud *et al.*, 2001; Alstete, 2008). Buttner and Moore's (1997) research, for example, found that individuals with differing motivations also had different measures of success (financial rewards versus WLB) which complicates how success can be objectively measured, suggesting that 'subjective' measures may be more appropriate.

As noted, there are differences in different definitions of success although these are often associated with owner objectives. Therefore, while financial value outcomes and employment rates might define success for support agencies and government, for owners these might include professional growth, development and self-fulfilment (Naffziger *et al.*, 1994; Buttner and Moore, 1997; Headd, 2003; Simpson *et al.*, 2012). Moreover, subjective measures may be more useful as they are flexible and can accommodate several performance measures (Haber and Reichel, 2005) such as "satisficing behaviour" (a trade-off between financial and non-financial personal goals) (Gimeno *et al.*, 1997, p. 123; Loscocco and Bird, 2012).

Thus, perceptions of success differ because individuals and firms differ (Schutjens and Wever, 2000). Both are subject to diverse and idiosyncratic internal and external pressures, which contribute to the complexity of understanding success. With this in mind, more flexible and subjective definitions of success and its measures are required (Greenbank, 2001; Simpson *et al.*, 2012). Moreover, with many performance indicators contributing to overall success, it may be necessary to use multiple measures to assess organisational performance (Soriano and Castrogiovanni, 2012; Haber and Reichel, 2005, respectively). In this context, the present study will follow Simpson *et al.* (2012)

to describe success as "the sustained satisfaction of principal stakeholder aspirations" (p.273).

2.5.1 Outcomes for home-based businesses

As discussed, businesses are subject to attempts to measure their outcomes in order to understand what contributes to their 'success' or 'failure'. Traditionally, this has taken the form of measuring 'growth' indicators such as the turnover of the business or its job creation statistics, and thus the contribution to economic growth. For example, Stanger's (2000b) Australian study of HBBs finds that they result in "significant income for owners" (p.19). Nevertheless, Dwelly *et al.* (2005) question the usefulness of traditional success measures in the case of HBB given the limited formal evidence regarding their number, and this study would argue that clear definitions are also critical.

Researchers exploring the HBB have used a variety of alternative approaches to 'measure success' in HBBs. For example, Soldressen *et al.* (1998) consider HBB income in terms of its proportional contribution to household income as a whole (also Walker, 2003). Soldressen *et al.*'s (1998) respondents also discuss their measures of success which include enjoyment of what one is doing, recognition of what they are doing and growth through outsourcing, rather than considering success in terms of financial performance (also Dwelly *et al.*, 2005; Enterprise Nation, 2009).

The outcomes achieved by HBB owners also tend to be of a personal nature. For instance, as noted, several studies have found that HBBs report greater life satisfaction than other small business owners, and despite lower financial returns, they also experienced more financial satisfaction (Mason *et al.*, 2011; Greenbank, 2001). The outcomes of engaging in HBB also include reduced work-life conflict in Ammons and Markham (2004); improved flexibility (Greenbank, 2001; Greenhaus and Powell, 2006); facilitation of the dual role (Ekinsmyth, 2011); and development of local social capital (Dwelly *et al.*, 2005; Enterprise Nation, 2009).

Despite these, there are also business issues to consider. Several academic papers find that HBBs had lower incomes levels and there may be a number of reasons for this. First, the HBB sector is reported as heavily dominated by service businesses (Edwards

and Field-Hendrey, 1996; Wilson *et al.*, 2004; Mason *et al.*, 2011) which can be divided into specialist and non-specialist activities (Bryant, 2000). Bryant (2000) identifies that in the HBB sector, non-specialist activities experience high competition and thus are "at the clients' mercy" (p.26) with requirements to be competitive on price (also Jurik, 1998). In addition, Loscocco and Smith-Hunter (2004) found in their study of female HBB owners that goods and services were clustered in low value outputs (i.e. pottery, candles, cookie gift baskets) which subsequently affect the income potential and generation of the business. Second, Edwards and Field-Hendrey (1996) report that the number, and nonstandard nature, of the hours worked by HBBs had consequences for their average hourly wage such that they were lower than those of onsite workers even when other factors (i.e. class of worker, rural/urban) were controlled. Third, authors have found HBB initial capitalisation is low and is predominantly based on personal means rather than external sources of start-up funding (Soldressen *et al.*, 1998; Phillips, 2002; Wilson *et al.*, 2004; Enterprise Nation, 2009). Phillips' (2002) paper indicates that the more capital intensive the industry sector, the more likely a business is to succeed (i.e. endure). Fourth, a correlation between the number of hours worked and business results in a HBB (i.e. turnover, profit and growth) has been reported (e.g. Loscocco and Smith-Hunter, 2004; Mason *et al.*, 2011). The implication is that HBBs prioritise life outcomes such as flexibility and lifestyle at the expense of business outcomes (e.g. Edwards and Field-Hendrey, 1996; Loscocco and Smith-Hunter, 2004; Walker *et al.*, 2008; Thompson *et al.*, 2009; Mason, 2010; Ekinsmyth, 2011). However, Ammons and Markham (2004), and more recently Bourne and Forman (2013), find that HBB owner concerns about maintaining their businesses pushed them to work long hours despite engaging in HBB in the first instance to facilitate flexibility (also Jurik, 1998; Mustafa and Gold, 2013). Fifth, at organisation-level, HBBs are thought of as unprofessional, informal and small and this image affects the business standing of the HBB (Jurik, 1998; Cohen and Musson, 2000; Walker, 2003; Newbery and Bosworth, 2010; Mason *et al.*, 2011). For example, Ammons and Markham (2004) report that external perceptions of a HBB (e.g. by friends and family) included that owners were 'available' when they were at home. This may also link to issues around the credibility of operating a HBB (Walker, 2003). Dwelly *et al.* (2005) also pick up on this point finding that business support agencies may assume that HBBs are "not serious" (p.7) and do not tailor support for them. Bryant (2000) identifies that

HBB clients may expect a 'discount' due to the lower overheads assumed of operating a HBB (also Walker, 2003). Additionally, since the home location may restrict business growth from a logistical and capacity perspective, business survival can be compromised also (Thompson *et al.*, 2009). Finally, at the person-level, the social isolation experienced by HBBs, and the conflict between family and business occupying the same space and vying for time have been noted (Soldressen *et al.*, 1998; Baines, 2002; Berke, 2003; Redman *et al.*, 2009; McGowan *et al.*, 2011; Mustafa and Gold, 2013). Thus, there are various business and personal constraints on the success (however defined) of HBBs.

2.5.3 Summary

Business 'success' has predominantly been linked to business performance in terms of financial outcomes. Motivations, particularly for growth, have been found to be contributing factors to achieving such business outcomes (e.g. Manolova *et al.*, 2012; Birley and Westhead, 1994). However, the dominance of financial measures of success are being challenged (e.g. Rogoff *et al.*, 2004; Levie and Lichtenstein, 2010; Fisher *et al.*, 2014). In the context of HBBs specifically, authors argue that financial measures of success are particularly limiting (e.g. Dwelly *et al.*, 2005). Furthermore, it may be that the economic and growth imperative underpins the dichotomous view of HBBs as 'business with limited economic value', yet offering 'personal value'. Nevertheless, the oft cited beneficial outcomes attributed to HBB (e.g. WLB, freedom, independence) may limit the business-based potentials for success, such as sustainability and income, and in turn any effort exerted to achieved these, and even growth, may render WLB unachievable (Maxwell *et al.*, 2007; Mustafa and Gold, 2013). Thus, as Tietze *et al.* (2009) comment, perhaps "homeworking...is far from a panacea to the ills of modern or flexible capitalism" (p.590). Therefore, the HBB phenomenon requires greater attention in order to consider the effects of it on businesses, owners and the impact of their initial motivations.

2.6 Summary

According to government rhetoric and policy, press, and supported by much academic literature, the purpose of engaging in business activities is understood to mean growth

in wealth, jobs and sales, and contribution to economic growth. Within the UK the majority of businesses are SMEs (99.9 percent and 99.3 percent in Scotland) (BMG Research, 2013b; The Scottish Government, 2012, respectively). Several UK government documents which investigate small business regularly demonstrate that a significant proportion of these businesses are either not growing or do not wish to grow (BMG Research, 2013b). Thus, it appears that a disconnect exists between the presumed importance and expectation of growth for business endeavours and the actual behaviour of individuals and their businesses. As such, this requires further investigation.

Research which investigates business intentions and motivations has sought to understand why individuals engage in 'business behaviour', and has found a relationship between motivations and subsequent business outcomes (for example growth) (Delmar and Wiklund, 2008; Hessels *et al.*, 2008; Manolova *et al.*, 2012). Therefore, a framework exists in which to research business creation behaviour and the effect of motivations on business and individuals.

This thesis concentrates on Scottish HBBs which, like elsewhere, represent the largest sector of small business in Scotland (Mason *et al.*, 2011; Enterprise Nation, 2009). Yet despite this, little academic or practitioner research has focused on understanding the HBB. This may be due to a continued focus within entrepreneurship literature on large or growth-orientated businesses (Kitching and Smallbone, 2012); research that has focused on *employees* working from/at home (e.g. Hill *et al.*, 2003; Redman *et al.*, 2009; Felstead *et al.*, 2002); that many HBBs are 'invisible' due to their size (Walker, 2003); or due to assumptions about low value. On the one hand, it is proposed that micro businesses such as HBBs make little economic contribution and are thus unworthy of attention (e.g. Allinson *et al.*, 2013); on the other hand, they bridge two 'worlds' potentially representing a "societal rather than economic phenomenon" which facilitates an emancipatory approach to flexible and autonomous working (Ekinsmyth, 2011, p. 105; also Tietze *et al.*, 2009).

To further complicate matters, the HBB is a complex phenomenon due to the dual location of home and business. This has had implications for defining and describing the concept. The terminology used, its legal status and the confusion regarding the 'work at/work from' home classification, has affected the ability of researchers to

adequately pinpoint the concept and has consequently undermined much existing research. In addition, research has relied on several assumptions. First, HBBs lack economic 'credibility' based on turnover and employment measures, despite evidence to the contrary (e.g. Rowe *et al.*, 1999; Mason *et al.*, 2011; Mason and Reuschke, 2015). Second, there has been a heavy focus on the 'gender' of HBB owners which has potentially contributed to marginalising research on this phenomenon (Walker, 2003; Mason, 2010). Finally, there is a perception that HBBs are motivated by personal issues, notably WLB.

Thus, despite some attempts of existing research to 'map' the HBB phenomenon, little can be said about HBB business or owner characteristics. Moreover, the research landscape still lacks evidence-based information about reasons *why* an HBB would be chosen. While some papers have reported motivations for choosing a HBB, most research has tended not to apply theory to the assessment of motivations within this sector. As a result, the antecedents of motivations and the motivations to choose HBB remain unclear. This has consequences for understanding the individual, social and economic contributions of this business-operation model, and in particular, its emancipatory or exploitative characteristics (Tietze *et al.*, 2009). Jurik (1998) finds that those opting to operate a HBB "pay a cost for saying no to conventional employment" (p.32) and thus this form of work may not be a means of liberation, but a change of location for conventional work arrangements along gender, race and resource lines.

In conclusion, the HBB is often perceived as a personally beneficial choice related to aspirations for freedom, autonomy and WLB. However, once the actual business requirements of a HBB are unpicked a different story may emerge (see Jurik, 1998). Thus it becomes necessary to accurately identify the HBB phenomenon; to explore motivations for engaging in HBB; to consider the relationship between those motivations and the definition and measuring of subsequent outcomes; and finally, to consider whether HBBs are engaged in 'entrepreneurship'. This research will contribute to knowledge and understanding of the HBB in general and the utility and effects of HBB on economic and personal outcomes. The next chapter reviews existing literature on theories of motivation and outlines the second component of the theoretical framework which underpins this research.

Chapter Three: Theoretical framework

3.1 Introduction and overview

The aim of this chapter is to present the theoretical framework for this research. As noted, despite growing academic interest in business creation motivations (Dennis, 1996; Shane *et al.*, 2003; Block and Koellinger, 2009) limited research has considered this aspect of the HBB in particular. Subsequently, little is known about the consequences of pre-business motivations on organisational structure decisions and the effect on business and the individual. Since greater understanding is required regarding *why* individuals pursue HBB creation, theories of motivation and intention form the second component of the theoretical framework in this research. Motivations theory used in the study of business creation is reviewed with particular attention on the Theory of Planned Behaviour (TPB) (Ajzen, 1991) and Shapero and Sokol's 'Entrepreneurial Event' theory (SEE) (Shapero and Sokol, 1982).

3.2 Business creation motivation theory

As noted earlier, researchers have sought explanations for engagement in business creation behaviour and there is much focus on *cognitive process models* as means of prediction and explanation. This is based on the premise that individuals pursue actions they *intend* to pursue (Sheeran *et al.*, 2003) and the more they value the outcome of the action, the more likely they are to pursue it (Lent *et al.*, 1994). Research has concluded that the decision to pursue business creation is actively made, doesn't happen by accident and represents an intentional act (Littunen, 2000; Arenius and Kovalainen, 2006; Patzelt and Shepherd, 2011). Intentions are the direct and proximal antecedent of behaviour (Ajzen, 1991) and Segal *et al.* (2005) contend that intention and motivation are synonymous concepts. Thus, assessing an individual's intention is a theoretically valid approach to understanding how they will subsequently behave, or retrospectively, what motivated them to behave in a particular way and why.

Business creation intentions are defined as "the conscious state of mind that directs personal attention, experience and behaviour toward planned entrepreneurial

behaviour” (Obschonka *et al.*, 2010, pp. 63, quoting Bird (1988)). Many recent attempts to predict business creation intentions and behaviours have been underpinned by cognitive process models that are based on attitudes and beliefs (Segal *et al.*, 2005). The models used include Shapero’s Entrepreneurial Event (SEE) (Shapero and Sokol, 1982), the Theory of Reasoned Action (Kolvereid and Isaksen, 2006), Vroom’s Expectancy Theory (Segal *et al.*, 2005; Steel and Konig, 2006), Attribution Theory (Gatewood *et al.*, 1995; Tang *et al.*, 2008), and Theory of Rational Behaviour, favoured by economists (Taylor, 1996). However, “the dominant theoretical framework” in research investigating business creation (Wiklund *et al.*, 2003, p. 248) is the Theory of Planned Behaviour (TPB) (Ajzen, 1991; e.g. Segal *et al.*, 2005).

3.2.1 The Theory of Planned Behaviour

The TPB is a theoretical model of motivation originally developed in social psychology research. It links intentions and subsequent behaviour, and through several antecedent variables, integrates endogenous and exogenous factors, rather than stating they have a direct motivational impact on behaviour. The TPB has had consistent predictive results across several fields including health, social psychology (for overview see Armitage and Conner, 2001) and consumer behaviour (e.g. Sirohi *et al.*, 1998; Hee Yeon and Jae-Eun, 2011). It has also been extensively applied to the investigation of business creation behaviour. For example, in studies examining nascent and established business owner motivations (e.g. Serida Nishimura and Morales Tristán, 2011; Kautonen *et al.*, 2011; Miralles *et al.*, 2012; Quan, 2012), and has been subject to comparison with other intentions models inspecting business creation (e.g. Krueger *et al.*, 2000; Miralles *et al.*, 2012).

The Theory of Planned Behaviour is based on three antecedents that are proposed as precursors to behaviour (Ajzen, 1991) (Figure 2): 1) attitude (ATT) which describes favourable or unfavourable personal evaluations, 2) subjective norms (SN) which describes an individual’s perceived social pressure to undertake a particular behaviour and, 3) perceived behavioural control (PBC) which describes the degree of perceived control that an individual thinks they have over their behaviour. These variables underpin behavioural intention (BI) and ultimately behaviour (B) (Ajzen, 1991; Notani, 1998). Behaviour antecedents provide the reasons for action (Perugini and Bagozzi,

2001). The underlying cognitive antecedent structures rest on other endogenous and exogenous factors, and thus the model encapsulates most of what would be assessed when trying to understand why someone has become a business owner (Kolvereid and Isaksen, 2006).

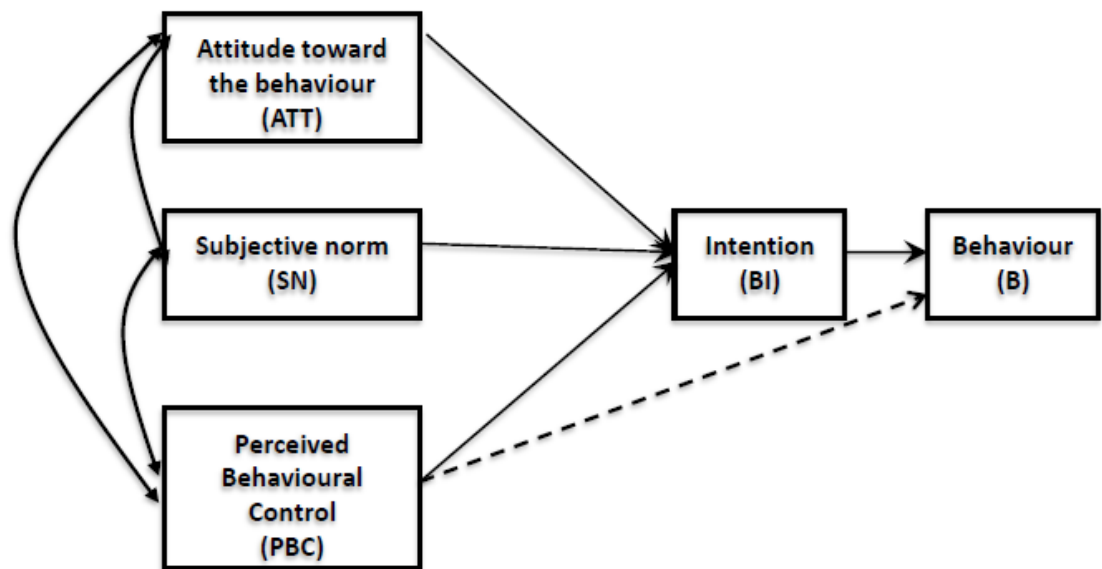


Figure 2. The Theory of Planned Behaviour

Source: Ajzen (1991)

The critical feature of the TPB is that it is a theory of *prediction*. Therefore, the significance of the TPB lies in consideration of the antecedents that influence intentions and subsequently behaviour. Thus, by understanding the antecedents of intention, the theory offers researchers the chance to understand what influences business creation, and may indicate means to stimulate future business creation through manipulation of the antecedents (Krueger and Carsrud, 1993; Krueger and Brazeal, 1994; Krueger, 2005).

However, despite the TPB being widely used across several different research disciplines, it is not without criticism. Gotleib *et al.* (1994) suggest that TPB offers incomplete explanations for how behavioural intentions are formed, a point supported by Notani (1998) who comments that while relationships between the TPB variables have been extensively tested, many findings remain inconsistent (also Ogden, 2003). For example, in Armitage and Connor's (2001) meta-analysis, TPB antecedents were

found to contribute only 29 per cent towards engaging in behaviour, which has led to a plethora of alternative and additional antecedents being proposed (e.g. human capital (Quan, 2012) and gender (Verheul *et al.*, 2012)).

Furthermore, there is some variability in the impact of the unique antecedents. Several studies have found that subjective norms are not statistically significant to influencing intentions to pursue business creation behaviour (e.g. Krueger *et al.*, 2000; Serida Nishimura and Morales Tristán, 2011; Miralles *et al.*, 2012). This may be because TPB antecedents can and do change over time (Lévesque *et al.*, 2002; Gielnik *et al.*, 2013). Cassar (2007) notes that individuals often change their minds about what is important over the course of business start-up and operation. As a result, only at a given point in time does the TPB have predictive theoretical value. Furthermore, according to Sheeran *et al.* (2003) cognitive control of our behaviours may be overstated. Therefore, while individuals may state clear intentions, they do not necessarily act on them (*ibid.*). For example, in his research, Katz (1990) found that of those who stated an intention to become self-employed (n=33) only six actually did so, whereas in the non-intending group (n=2218) almost 26 per cent went on to engage in self-employment behaviour. Thus across the sample, 99 per cent of those who actually became self-employed did not state an intention to do so, and thus, intentions models may miss these business creators. Thus, entrepreneurial events may not actually be *planned*, based on (perceived) intentions, and may arise from chance encounters with external factors or opportunities, for example precipitating events (Shapero and Sokol, 1982). Consequently, the role of habits, goals, socialisation of behaviour and past behaviours may by-pass the TPB framework.

In addition to criticisms of the TPB itself, several criticisms can be made of existing business creation intentions research based on it. Most importantly, the predominance of student samples creates a lack of diversity in testing populations, and according to McGee *et al.* (2009) students “simply do not have the experience and resources to judge whether they can be successful entrepreneurs” (p.971). Thus, Shook *et al.* (2003) in their review of venture creation literature, report that student samples undermine the generalizability, reliability and validity of findings and future investigations should source samples of individuals actually engaged in business creation/operation behaviour. An additional issue is the measurement of potential career options,

particularly presenting engaging in business creation or employment as a strictly an either/or option (seen in Kolvereid, 1996; Yang, 2013). Liñán *et al.* (2011) in particular have acknowledged that this is an issue, principally as their research identified that their cross-cultural sample (Spain and Taiwan) did not view these options as exact opposites. Finally, research investigating business creation intentions has been dominated by quantitative methods (e.g. Krueger *et al.*, 2000; Kautonen *et al.*, 2011; Yang, 2013).

To summarise, the Theory of Planned Behaviour has been used to investigate the antecedents of intention and to predict behaviour. The research based on it has regularly reported the theory's internal consistency; however, it is not without several limitations for investigating business creation intentions *and subsequent behaviour*. For example, research has been dominated by quantitative methods, by student samples, has neglected contextual factors, and has been more concerned with testing the relationships between antecedents and intentions than exploring the antecedents themselves. Thus, an opportunity exists to conduct research investigating small business which utilises a small business specific behaviour-intentions theory; furthermore, a theory that accommodates alternative methodological approaches. Shapero's Entrepreneurial Event theory (SEE) is a robust example of this (Shapero and Sokol, 1982; Krueger and Brazeal, 1994).

3.3 Shapero's Entrepreneurial Event theory

SEE theory (Shapero and Sokol, 1982) (Figure 3) predates TPB (Ajzen, 1991) and is specific to investigating and predicting engagement in business creation behaviours. According to Shapero and Sokol (1982) an 'entrepreneurial event' has five operational characteristics: initiative taking, consolidation of resources, management, relative autonomy and risk-taking.

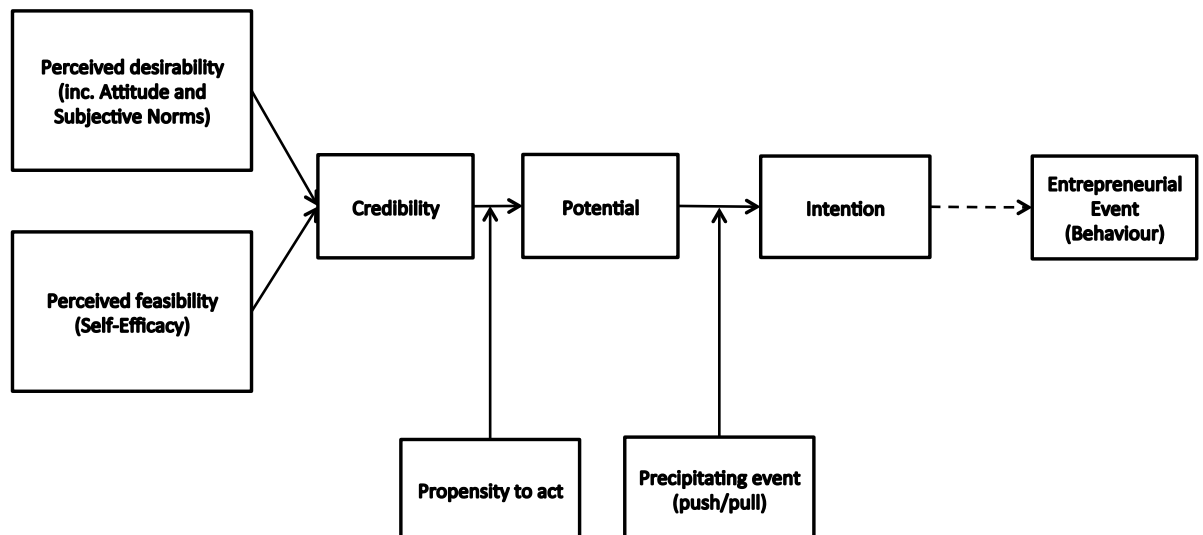


Figure 3. Shapero's Entrepreneurial Event Theory (SEE)

Source: adapted from Shapero and Sokol (1982) and Krueger and Brazeal (1994)

According to SEE theory, an individual examines the alternatives open to them and selects the most 'credible' based on its desirability and feasibility. This is partnered with a volitional antecedent 'propensity to act', akin to locus of control (Krueger, 2005), towards realising the most credible form of behaviour. Individuals then harbour latent business creation potential. This latent potential may then become 'actioned' in the case of a precipitating event (akin to push/pull motivations, i.e. loss of job or seeing an opportunity). This may result in forming a business creation intention and thereafter engaging in business activity. Vorley and Rodger's (2012) research investigating HBB provides an empirical example of the 'tipping points', or precipitating event(s), which contributed to the formation of the business. This theory thus incorporates both individual and situational factors which interact to stimulate intentions and reflects how authors view business creation to arise (Mair and Noboa, 2003). Shapero and Sokol (1982) are clear that their theory is dependent on the individual and their "individual perception and interpretation" (p.82) within context.

Perceived desirability comprises two discrete components (Schlaegel and Koenig, 2014). These intrapersonal and extrapersonal antecedent components are akin to the TPB antecedents attitude and subjective norms. Perceived feasibility is based on how personally capable an individual perceives themselves to be and their access to resources (e.g. financial, human and social capitals) (Shapero and Sokol, 1982); this is

similar to the concept of self-efficacy (Bandura, 2012), labelled perceived behavioural control in the TPB (Schlaegel and Koenig, 2014). These contributory components to the model will now be discussed in turn.

Attitudes

Attitudes are “a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour” (Perugini and Bagozzi, 2001, p. 81, quoting Eagly and Chaiken, 1993). Essentially, they are unstable perceptions of how an object or activity appears to an individual at a particular point in time and are based on the beliefs, values and desirability that people have about the benefits of engaging in a certain behaviour (Krueger *et al.*, 2000; Wiklund *et al.*, 2003; Kolvereid and Isaksen, 2006; Fayolle *et al.*, 2014). They are often based on experience and formed through interactions between individuals and their environment (Littunen, 2000; Wiklund *et al.*, 2003; Galloway and Kelly, 2009).

Small business researchers (e.g. Davidsson, 1995; Rotemberg-Shir and Wennberg, 2011) agree that attitudes are involved in an individual’s attractiveness assessment of business creation and associated options, and due to their proximity to decisions, they are likely determinants of behaviour (Shepherd and Douglas, 1997; Krueger *et al.*, 2000; Wiklund *et al.*, 2003). Recent meta-analysis conducted by Schlaegel and Koenig (2014) finds strong support for attitude as an intention antecedent. Empirical research testing attitudes to self-employment have found similar results. For example, Kolvereid and Isaksen (2006, p. 871) found “autonomy, authority, self-realization and economic opportunity” most strongly associated with attitudes (not intentions) towards pursuit of self-employment. Shepherd and Douglas (1997) also report strong results for independence and risk attitudes.

Finally, desirability of a course of action is likely to be linked to its perceived maximum utility (Taylor, 1996) and its procedural utility (Schneck, 2014). With this in mind, and specific to HBB, desirability is based on the importance of the desired outcomes, for example extrinsic or intrinsic factors, and whether the desired outcomes could be achieved through the means of (HBB) self-employment-based activities (Segal *et al.*, 2005).

Subjective norms

Small business activity does not occur in isolation. Subjective norms (SN) refers to the social acceptability of behaviour based on what people who are important to us (would) think. Subjective norms are context specific and based on perceptions, cultural norms and reference groups, with Elfving *et al.* (2009) noting that situational and socio-cultural factors contribute to business creation events. For example, research exploring the strength of motivation to achieve goals has found that normative beliefs formed through exposure to role models increased motivation strength (Taylor, 1996; Krueger *et al.*, 2000; Krueger, 2005). Further, recent research conducted by Liñán *et al.* (2013) found that social valuation (i.e. wider cultural values) and closer environment evaluation (i.e. social capital) were contributors to subjective norms between countries (UK and Spain) concluding that environment is important to the formation of behavioural intentions. Therefore, to appreciate the attractiveness of a course of action, it is necessary to consider the individual *and* their environment (Shaver and Scott, 1991; Lee *et al.*, 2011). This is described as the “relational model of motivation” by Carsrud *et al.* (2009, p. 148).

Subjective norms however have had the weakest predictive results in previous empirical research (Krueger Jr *et al.*, 2000). Nevertheless, several pieces of contemporary empirical research have concentrated on investigating the impact of SN with findings suggesting that rather than being a ‘stand-alone’ antecedent, SN is a pre-antecedent or mediator of attitude and perceived behavioural control (e.g. Liñán *et al.*, 2013; Tsai *et al.*, 2014). Further there is evidence from research conducted in variety of cultural contexts, including Western and non-Western, which have found subjective norms to have a significant impact on forming intentions to, or engaging in, business creation behaviour (Wang *et al.*, 2012; Yang, 2013; Schlaegel and Koenig, 2014).

Self-efficacy

Self-efficacy is defined as “one’s sense of competence: a belief that we can do something specific” (Elfving *et al.*, 2009, p. 26) and includes internal factors viewed to be under an individual’s control. Self-efficacy is not a ‘trait’ that an individual demonstrates but something that can be learned and developed over time (Lent *et al.*, 1994; Bandura, 2012). For example, Sitzmann and Yeo (2013) report in their meta-

analysis of self-efficacy that it is a product of past performance rather than a contributor to future performance. Further, it is also affected by domain and situational conditions, whereby there are 'general' and 'specific' forms of self-efficacy of which 'specific' helps to develop 'general' self-efficacy levels (Bandura, 2012), with Tsai *et al.* (2014) finding that self-efficacy is influenced by subjective norms. Additionally, facilitating conditions and/or resources (i.e. financial, social or human capitals) are observed to have an impact on self-efficacy (Sitzmann and Yeo, 2013; Zolait, 2014; Elert, 2014). With regards to business creation intentions and behaviour, studies have found self-efficacy to be an influential antecedent and moderator (Krueger and Brazeal, 1994; Schlaegel and Koenig, 2014), although contrary evidence is also reported (Kolvereid and Isaksen, 2006).

Nevertheless, despite self-efficacy being consistent across strategies implemented by individuals (Rotemberg-Shir and Wennberg, 2011), it is context, content and individual specific and therefore, underpinned by personal perceptions and contextual factors (Stajkovic and Luthans, 1998; Locke and Latham, 2004; Elfving *et al.*, 2009; Bandura, 2012). Consequently, not all assumptions about an individuals' ability to pursue an action can be derived from internal assessments of such abilities (e.g. Steele, 1997). Thus, perceived feasibility also recognises factors external to an individual over which they think they have control through behaviour; this is akin to perceived behavioural control in TPB (Kolvereid and Isaksen, 2006).

Several previous studies have employed SEE theory. It has been used to explore business creation intentions and behaviours of school and university students (Krueger *et al.*, 2000; Peterman and Kennedy, 2003; Guerrero *et al.*, 2008), social enterprise (Mair and Noboa, 2003), ethnic minorities (Walstad and Kourilsky, 1998) and the influence of regional context on business creation behaviour (Feldman, 2001). SEE has been the subject of research seeking to test its predictive capability in comparison to the TPB (e.g. Krueger *et al.*, 2000; Miralles *et al.*, 2012). For example, Krueger *et al.* (2000) report that in the SEE model each antecedent was statistically significant and at a higher predictive level ($r=.408$) in comparison to the TPB for their student sample. In contrast, Miralles *et al.* (2012) found in their study of established business owners that the TPB had greater predictive value – 49 per cent compared to 45 per cent for SEE theory. However, their study shows that the subjective norms antecedent of TPB still

remains unsubstantiated as an antecedent of behaviour, and in the case of SEE, it is likely that the propensity to act is invalidated by the fact that the sample were already engaged in business. Furthermore, SEE accounts for 45 per cent of entrepreneurial intention which is significant in comparison to the average attributed to TPB for intention (39 per cent) (Armitage and Conner, 2001). In the most recent study to include a comparison of TPB and SEE, Schlaegel and Koenig (2014) find that the perceived desirability antecedent of SEE is the strongest predictor of forming a business creation intention. Further, it is also the mediator for other intention antecedents (*ibid.*). Nevertheless, *both* desirability and feasibility have been found to statistically affect intentions in several empirical studies and in meta-analysis (Peterman and Kennedy, 2003; Guerrero *et al.*, 2008; Schlaegel and Koenig, 2014).

3.4 Motivation theory in the current study

This research will use the SEE theory as set out in the paper by Krueger and Brazeal (1994) (Figure 3) to guide research investigating the motivations and intentions of individuals engaged in HBB behaviour. This is for three principal reasons: epistemological, methodological and pragmatic.

First, this research does not view business creation as occurring in an agency vacuum. Both individual *and* context are considered important to the study, as business creation behaviour is a consequence of the interaction of the two (Shaver and Scott, 1991; Lee *et al.*, 2011). Motivations research has highlighted the importance of context, including both internal and external stimuli, time, past experience and the uniqueness of individuals in the choice-action process (Shaver and Scott, 1991; Shane *et al.*, 2003; Locke and Latham, 2004; Hessels *et al.*, 2008; Carsrud *et al.*, 2009). Moreover, actions are task- and situation-specific; therefore, life circumstances affect the actions undertaken in a specific situation (Locke and Latham, 2004). Ultimately, Shaver and Scott (1991) conclude that "behaviour should be regarded as the consequence of person-situation interactions" (p.25). Thus, SEE offers the potential to recognise the individual in context as the theory also incorporates evaluation of how external events can stimulate start-up (Krueger and Brazeal, 1994). Thus intentions can be latent and require an external stimulus to create the behaviour. This fits with the

critical realist morphogenetic epistemological approach as referenced in the forthcoming methodology chapter.

Second, in the case of this research, the value of an intentions-behaviour model such as the SEE is that it provides a framework of the process through which an individual may make cognitive decisions. Thus, rather than testing the model for internal coherence, the SEE intentions-behaviour model provides a guide which illuminates factors which contribute to such behaviour, i.e. the antecedents. Therefore, rather than use the theory in a predictive sense, by using it as a template instead, exploration of the antecedents that have contributed to a demonstrable form of behaviour can be investigated. Consequently, it becomes possible to consider the factors that have influenced the decision to start a HBB in particular and SEE theory provides a framework with which to investigate those already engaged in business. Likewise, it allows for *qualitative* investigation of antecedents and emerging information about the experience of starting and operating a HBB to be collected.

Finally, SEE theory has been employed over several decades (e.g. Krueger and Brazeal, 1994; Krueger *et al.*, 2000; Miralles *et al.*, 2012) and continues to be used in contemporary business creations research (e.g. Wurthmann, 2014). Further, in line with the recommendations of Shook *et al.* (2003) it is preferable to use a theory which has been tested and validated. Moreover, the most recent meta-analysis examining theories of entrepreneurial intent conducted by Schlaegel and Koenig (2014) found that SEE shows “larger effect sizes compared with the TPB determinants” (p.317). These three elements suggest that SEE is a robust theory upon which to conduct research in this study.

3.5 Summary and research questions

To be able to consider the reasons why an individual would start a HBB, it is necessary to clearly set out what is meant by a HBB. To date, defining the HBB has been challenging due to the plethora of different terms and approaches used in existing academic and practitioner research. Thus the first objective of this research is:

Objective 1. To explore dimensions of home-based business and different types

As per objective 1, in an attempt to clarify the concept and improve research in this field, this thesis has developed and proposed a HBB typology along two axes: human capital and location. The typology sets out four different, yet related, quadrants: high human capital within the home, high human capital from the home, low human capital within the home, and low human capital from the home.

Further, while research investigating the motivations for engaging in business creation is well established, theoretically derived consideration of the motivations for choosing HBB is almost non-existent. Historically, research has explored personality traits and situational factors as reasons why an individual might engage in business creation behaviour, however, the predictive qualities of these approaches has been limited (Krueger *et al.*, 2000). Moving on from these approaches, researchers have turned to cognitive process models which map the antecedents of intentions, which subsequently lead to behaviours. Research based on these intention-behaviour models has been extensively applied to investigate business creation behaviour with consistent predictive results, the most widely used being Ajzen's Theory of Planned Behaviour (1991). However, TPB is not without its limitations. In this research which seeks to understand the antecedents of why an individual has engaged in HBB, rather than predict it, it is more relevant to use a theory specifically designed to investigate business creation intentions. Thus, this research will apply Shapero's Entrepreneurial Event (SEE) intentions-behaviour theory (Shapero and Sokol, 1982). This outlines the antecedents of forming intentions – perceived desirability, perceived feasibility and 'propensity to act'. It also allows for consideration of precipitating events that might include external or contextual factors. SEE has been used in research investigating business creation behaviour and intentions, but has not been applied in the context of HBB. SEE theory will be used to address the second objective of this research:

Objective 2. To investigate intention antecedents and motivations for home-based business in the context of theories of entrepreneurial intent

Previous research has identified a relationship between initial pre-business start-up motivations and subsequent business outcomes (e.g. Manolova *et al.*, 2012; Wiklund *et al.*, 2003). In the case of HBBs, the suggestion is that while they may not have entrepreneurial outcomes, such as growth in profits and employee numbers, they may

have other more personal outcomes such as WLB. Thus, the third objective of this research is:

Objective 3. To examine the personal and business outcomes of home-based business

Finally, although research has been limited, HBBs have been in the main discussed within the entrepreneurship paradigm. However, the inference is that HBBs do not conform to entrepreneurship definitions of innovation and growth. Thus, the fourth objective of this research is:

Objective 4. To investigate if entrepreneurship defined as growth-orientation is observable in home-based businesses

To address the broad objectives of this study, the key research questions that emerge are:

- RQ. 1. What are the key dimensions of a home-based business?
- RQ. 2. Why do individuals engage in home-based business?
- RQ. 3. What are the business and personal outcomes of engaging in home-based business?
- RQ. 4. Is entrepreneurship (defined as growth-orientated) evidenced in home-based business?

Through empirical investigation, driven by these research questions, this thesis aims to contribute to knowledge regarding an under research business phenomenon in several ways. First, to propose and test the proposed HBB typology which will delineate the field, inform future research, and assist with clearer recognition of the HBB phenomenon. Second, by investigating the motivations of HBB owners, this research will test the validity of SEE theory in the context of HBBs; it will contribute to the existing knowledge regarding motivations for engaging in business creation, and in particular the creation of HBBs; and it will assess the link between motivations and outcomes. Finally, consideration of the HBB as 'entrepreneurship' may have implications for its place in academic research, government policy and social rhetoric.

The next section summarises the philosophical position of this research, the methodology and the methods selected.

Chapter 4: Methodology

4.1. Introduction and overview

The purpose of science is to "describe and explain the way the world is" (Rosenberg, 1988, p. 2). It has traditionally sought to establish causal relationships or 'laws', which explain and predict our world. However, key considerations for the (social) scientist are 'is there a reality?' and 'how we can know?', questions of ontology and epistemology respectively. Jennings *et al.* (2005) state:

"either explicitly or implicitly, researchers base their work on a series of philosophical assumptions regarding ontology, epistemology, and human nature, which have methodological consequences" (p.145)

Thus it is necessary to clearly outline the position that this research will take.

This research is underpinned by Critical Realist philosophy. A qualitative research approach is employed in order to explore the meaning and perceptions that individuals hold about their motivations for, and subsequent outcomes of, engaging in HBB activity. Further, the research strives to understand these at the intersection of structure and agency and as such references Archer's (1995) morphogenetic approach.

The purpose of this chapter is to describe the methodology used in this research. First the underlying philosophical position of this research – Critical Realism – is explained. Thereafter, the approach to this research is outlined, followed by discussion of the research methods employed. This chapter concludes with a thorough exploration of the sample in this study with particular reference to the typology proposed in Section 2.2.3.

4.2. Philosophical position: Critical Realism

Critical realism (CR) resolves the pole positions of positivism and constructivism by "seeing society relationally and as emergent" (Archer *et al.*, 1998, p. Xiii; also Baert, 1996). According to Fleetwood (2004) CR avoids the absolutes of positivism and the alternative extreme, social constructionism. Ackroyd and Fleetwood (2000) distinguish CR from positivism on the basis that law-like causality, or mere regularities, particularly

in the social world, are unlikely to occur. Consequently, a positivist approach in social science is largely rejected because people and social entities are fundamentally different to the close-system-based phenomena characteristic of natural science (Bryman, 2001). Danermark *et al.* (2002, p. 21) explain, "the deep dimension where generative mechanisms are to be found (the real), is thus what distinguishes critical realism from other forms of realism". Thus CR moves beyond the empirical to underlying transfactual mechanisms that produce empirical events (Ackroyd and Fleetwood, 2000; Danermark *et al.*, 2002; Groff, 2004). Nevertheless, this does not presuppose an alternative extreme of a wholly constructed world, such as the postmodernist view. This is because CR describes a "critical realist social ontology" (Ackroyd and Fleetwood, 2000, p. 12) which, from an epistemological stance acknowledges and utilises a socially constructed view of the social world, but it does not ontologically view the social world as "*merely* socially constructed" (Ackroyd and Fleetwood, 2000, p. 12). Thus, CR rejects constructionism on the basis that 'reality' cannot be reduced to discourse.

CR takes a position that is ontologically realist; there is a material reality (e.g. mountains) which exists independently of humans and can therefore be referred to as objective (or intransitive) (Groff, 2004; Cruickshank, 2004). In addition, CR considers *social* phenomena to be intransitive because whilst social entities are dependent on agents for creation, they may exist without the knowledge of the agent and are not dependent on discourse or investigation (Ackroyd and Fleetwood, 2000; Bhaskar, 1998; Danermark *et al.*, 2002; Groff, 2004). This results in an ontological position where both material and *social* entities are objective (i.e. exist) and therefore can be studied as such. To this end CR proposes a structured and stratified ontology (see Table 4). It is to this that we now turn.

| Domain | Entity |
|-----------|---|
| Empirical | Experiences, perceptions |
| Actual | Events and actions |
| Real | Structures, mechanisms, powers, relations |

Table 4. A structured ontology

Source: Adapted from Ackroyd and Fleetwood (2000, p. 13)

CR considers reality to be stratified comprising three ontologically distinct levels: the empirical (what we actually experience), the actual (what happens even if we do not experience it or are not there at the time that 'reality' occurs), and the real (the generative mechanisms that cause events to occur) (see Table 3) (Danermark *et al.*, 2002; Blundel, 2007).

Further, according to CR, our social and material reality is comprised of structures and their mechanisms and causal powers. At the 'base' level, structures refer to the 'constitution' of an object (material or social) and are what gives an object its causal powers (Blundel, 2007). Embedded within a structure are its generative mechanisms and causal powers; so rather than focus on whether entities exist, attention is given to whether processes, powers and causality exist and how we can know them (Groff, 2004). Essentially, CR seeks patterns or mechanisms that make an outcome possible, rather than the outcomes or results that occur (Ackroyd and Fleetwood, 2000). Mechanisms describe how an object's causal powers are manifested, giving rise to events which we may experience in the empirical domain. Causality is linked to the inherent nature of an object whether it affects structures or not (an object's causal ability can change - it is not fixed - and causal powers exist independent of our understanding or perception), thus causality can be labelled *transfactual* (Bhaskar, 1998; Danermark *et al.*, 2002; Leca and Naccache, 2006). Transfactuality in CR is what creates CR's stratified version of reality (the empirical, the actual and the real) (Leca and Naccache, 2006), which means that an object's causality may not be directly related to events in the empirical strata (Bhaskar, 1998). In addition, circumstance and context may act as a 'filter' for causal powers (Leca and Naccache, 2006; Easton, 2010). This means mechanisms (causal factors) are always mediated by conditions (context and circumstance) meaning that mechanisms may cause different outcomes, or similar outcomes may have different causes (see Figure 4). CR is relatively distinct in its conception of causality with its aim to distinguish causal differences thereby giving causal powers their explanatory significance (Blundel, 2007; Easton, 2010).

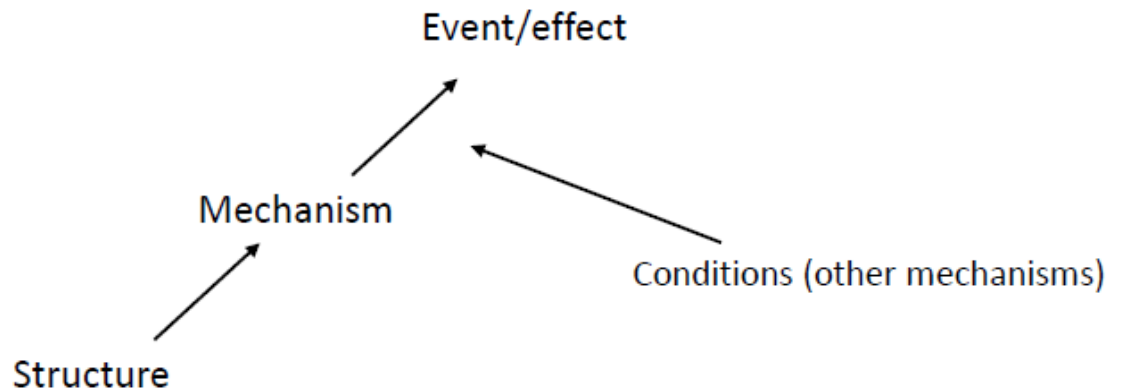


Figure 4. Mediating effect of conditions

Source: Blundel (2007, p. 52)

In contrast to its realist ontology, CR “assumes [...] an eclectic realist/interpretivist epistemology” (Easton, 2010). Thus subjective (transitive) knowledge of intransitive objects is developed based on history and other socially occurring phenomena (Bhaskar, 1998; Danermark *et al.*, 2002), and can only be known through meanings, ideas and symbols (Sayer, 1992). The consequence of transitive knowledge is that there is no absolute 'truth' because reality is 'theory-laden' due to human interpretation/language-based explanations of reality (Danermark *et al.*, 2002). Therefore, how is it possible to seek "deeper causal explanations" of intransitive reality when we exist in a transitive world of meaning and interpretation (Blundel, 2007, p. 54)? There are two features of CR epistemology that are relevant.

First, the consequence of engaging in knowledge creation with subjects/objects that 'know' (as opposed to those in natural science that are 'unknowing') is the double hermeneutic. The double hermeneutic is "the need for the interpenetration of the frames of reference of the observer and observed, for mediation of their respective understandings [which] blurs our distinctions between thought object and real object" (Sayer, 1992, p. 49). Essentially, in conducting social science, a researcher has to engage in "'messy' and 'ambiguous' social phenomena, without abandoning the social scientific task" (Blundel, 2007, p. 54; see also Weiner, 1972). Therefore, how is a researcher to resolve knowing 'other minds'? Bhaskar proposes that *critical* naturalism, which involves engaging in '*verstehen*' (interpretive understanding) and entering into the hermeneutic circle with both the scientific community and those that are the

subject of study, as the means to overcoming the distance between transitive and intransitive knowledge (Blundel, 2007).

Second, to overcome epistemological relativism, critical realists engage in conceptualisation which requires *conceptual abstraction* (Danermark *et al.*, 2002). In short, the researcher engages in an analytical process called retrodution (Blundel, 2007). This process, which is based on several semi-sequential stages, generally moves from the concrete (an experience at the level of the empirical) to the abstract (isolate an essential aspect of an object at the level of the real) and back to the concrete (Sayer, 1992). This process allows researchers to distinguish essential, or necessary, characteristics of the whole and disregard those that are incidental or contingent. Further, the process is flexible and linked to the study project and the methods chosen. Given that social science objects are often relational, structural analysis is a key feature to consider (Danermark *et al.*, 2002; Fleetwood, 2004).

In addition, Blundel (2007) stipulates meaningful engagement with the structure/agency debate by acknowledging the intentionality of human action, the emergent nature of social structures and the complex relationship which exists between them. The CR position on structure and agency is outlined in Archer's (1995) morphogenetic approach, which is the subject of the following section.

4.2.1 Critical realism: The morphogenetic approach

It is a fundamental feature of CR that structure and agency are mutually independent yet related levels of reality. Willmot (2000) writes that "structure refers to resilient *patterns* that order social life" (p.67) at both micro and macro levels, and agency refers to "the passions and actions" of individuals (Hollis, 1994, p. 11). Within CR, structure and agency may be ontologically different, nevertheless, they are integrated 'real' worlds, thus resolving the issue of conflation (where all structure is the result of agency or vice versa) (Archer, 1995; Leca and Naccache, 2006). Therefore, CR proposes that society pre-exists human actions and we take action based on existing (social) resources, however, agents are not passive and can shape and change social structures (Sayer, 1992; Leca and Naccache, 2006; Manicas, 2006). Thus CR facilitates researchers to embrace context as real without having to let go of the power of human agency.

Archer (1995) has delineated the CR approach to negotiating the structure/agency debate and her contribution will be outlined and summarised below.

First, Archer (1995) states that structure is ontologically 'real' and can therefore be the subject of objective research. Structure is real based on its emergent properties/powers, that is when different strata combine and create new objects (a business networking group for instance), which have causal powers and mechanisms that are reliant on, but distinct from, the constituent objects. Although we may not be able to label a 'material' reality, its emergent character provides structural objects which can be studied. Secondly, Archer lists a set of propositions which form a reiterative cycle which explain the symbiotic relationship between structure and agency:

1. there are internal and necessary relations within and between social structures,
2. causal influences are exerted by social structure(s) on social interaction (aka agency),
3. there are causal relationships between groups and individuals at the level of social interaction and,
4. social interaction elaborates upon the composition of social structure(s) by modifying current internal and necessary structural relationships and introducing new ones. Alternatively, social interaction reproduces existing internal and necessary structural relations. These are called, respectively, morphogenesis and morphostasis

(Archer, 1995, pp. 168-169)

Morphogenesis means "those processes which tend to elaborate or change a system's given form, state or structure", and morphostasis means "those processes in complex system-environmental exchanges which tend to preserve or maintain a system's given form, organisation or state" (Archer, 1995, p. 166). In accepting that structure and agency are independent, ontologically distinct realms, exempt from conflation and both exhibiting emergent properties which align with strata, they can thus be examined separately (Archer, 1995). An additional element of the concept of emergence is that "properties and powers of some strata are anterior to those of others precisely because the latter emerge from the former over time, for emergence takes time since it derives from interaction and its consequences which necessarily

occur in time" (Archer, 1995, p. 14). Thus the concept of time, and change over time, is added to negotiating the boundary between structure and agency (also Cruickshank, 2004). These emergent characteristics of both structure and agency and the importance of temporality are the foundation of *analytical dualism* which is at the heart of the CR approach to structure and agency. Analytical dualism examines "the interplay between these interdependent, but emergent, strata of social 'reality'" (Reed, 2000, p. 55). It is based on the researcher's ability to analytically separate structure and agency based on time, i.e. the structure we have today came before us, it will be adapted/reinforced by us now and will continue into the future based on the changes made today in a never ending cycle of change/adaptation and reinforcement. As Archer (1995, p. 168) states "the identification of structures is possible because of their irreducible character, autonomous influence and relatively enduring character, but above all because this means that they pre-date any particular cohort of occupants/incumbents". Analytical dualism subsequently underpins the morphogenesis/stasis framework, a methodological tool, which explicates the interaction of structure and agency over time and space.

4.2.2 Critical realism and this research

Despite research investigating small business, such as HBB, forming a (distinct) discipline for the past quarter century, it is still considered to be a young field of research (Ireland *et al.*, 2005; Mole and Ram, 2012). Due to this, research in the field has tended to use methods and theories from other fields, for example economics and psychology (Bygrave, 1989). Thus as noted elsewhere, there has been a preponderance of quantitative approaches underpinned by an agency-driven focus (e.g. Chandler and Lyon, 2001; Ireland *et al.*, 2005; Bouckennooghe *et al.*, 2007; Mullen *et al.*, 2009; Crook *et al.*, 2010). These positivist-based approaches to investigating a non-linear, social phenomenon, or open system such as business creation (Bygrave, 1989; Leitch *et al.*, 2010), may not be the most appropriate (Bryman, 2001). This is because *both* structure and agency are evident in small business creation and operation (Blundel, 2007). Thus, the ontology of structure and agency and their *interplay*, which is central to CR, is of key importance to the study of organisation (Reed, 2000), including small business. As entrepreneurship researchers Mole and Mole (2010, p. 231) state, "entrepreneurship

is the study of the interplay between the structures of a society and the agents within it". In CR, the morphogenesis/stasis model explicates this relationship.

Analytical dualism suggests that structure pre-exists agents; it provides a context in which agents use "unequally distributed assets" (Reed, 2000, p. 55) to engage in social activity and thereafter contribute to morphostasis or morphogenesis. Thus in order to fully understand any behaviour, or in the case of this research, the formation of intentions to engage in business creation behaviour, it is necessary to consider the place of the agent in structure *and* their causal actions. In this way, research conducted using analytical dualism presents an opportunity to identify the "sets of internally related objects or social practices" (Reed, 2000, p. 57) that would create the conditions for the existence of a HBB.

In addition, the morphogenesis/stasis model allows for two important factors in the study of HBB: first, time (the past as creator of structure, altered in the present by agency, changed or static going forwards), which allows both structure and agency to be studied as contributing factors to a phenomenon, and second, the process of change (see Archer, 1995; Mole and Ram, 2012). CR and the morphogenetic approach have been referenced as integral in several small business studies (Mole and Ram, 2012; e.g. Leca and Naccache, 2006; Lee and Jones, 2008; Mole and Mole, 2010; Tourish, 2013). For example, Lee and Jones' (2008) research considered the effect of networks on individual behaviour and actions, and Tourish (2013) completely reframes research about management as he proposes that management is simultaneously objective and subjective.

Therefore, by fully engaging with the structure/agency interplay, rather than use a positivist approach which infers direct cause and effect, CR seeks to establish the generative mechanisms which cause patterns and tendencies observed at in the empirical strata (Reed, 2000). Thus some of the inconsistency observed in previous research (see TPB, Chapter 3) may be resolved by moving away from a perceived direct relationship between a cause and effect, towards generative mechanisms which would cause a possible empirical outcome and take account of the importance of context. This can be achieved through empirical research, since it searches for the "preconditions for social phenomena" (Blundel, 2007, p. 59) based on its stratified

ontology. As opposed to the direct cause-effect relationship of positivism, it is thus possible to develop knowledge of structures, mechanisms and causal powers.

Calls for pluralism in research approaches have emerged (e.g. Leitch *et al.*, 2010; Mole and Ram, 2012) in an attempt to resolve the risk of methodological paucity which threatens to undermine the field of intentions research (Hindle, 2004; also Tourish, 2013). CR and its analytically dualist approach to structure and agency presents an alternative way to explore small business and business creation intentions in particular (Hindle, 2004). Moreover, it is the understanding of the structure/agency interplay that subsequently informs which methodology is appropriate (Reed, 2000). Thus, for this research which seeks to gain an understanding of the *meaning* that individuals give to their motivations, subsequent behaviour and consequent outcomes, it is necessary to engage in a form of research which will facilitate access to such meaning-making. Previous entrepreneurial cognitions research has recognised that intentionality is an underlying causal mechanism developed through "the complex interaction of mind and environment" (Hindle, 2004, p. 587; also Ekström, 1992). Further, according to Ackroyd (2004, p. 158) if "direct insight into causal relationships" are sought, it is to the experiences of groups and individuals and the way that they think, that a critical realist researcher must turn.

4.3. Approach to the research

CR does not stipulate a 'how' for conducting research and both quantitative and qualitative approaches are applicable. As Danermark *et al.* (2002, p. 204) state "it [CR] does not exclude any method *a priori*, but the choice of method should be governed [...] by what we want to know, and [...] by what we can learn with the help of different methods". According to Fleetwood and Ackroyd (2004) the use of quantitative data in CR research is to outline the macro-level context in which events occur. In contrast, qualitative research can provide descriptions of phenomena and identify 'gaps'. As noted in Chapter 3, previous research that has tested business start-up intentions, the research approach has been predominantly quantitative (e.g. Krueger *et al.*, 2000; Carter *et al.*, 2003; Lee *et al.*, 2011). However, there are several limitations to accessing cognitive operations using a quantitative approach. These include issues with measuring the variables representing cognitive functions and the use of an either/or

dichotomy in understanding the choices that people make (which lacks reference to the complexity of individual choices and decisions) (e.g. Souitaris *et al.*, 2007; Serida Nishimura and Morales Tristán, 2011; Miralles *et al.*, 2012). Further, Gartner and Birley (2002) identify that quantitative studies of business activities “do not seem to add up” (p.388), thus proposing that qualitative research can explore what is ‘missing’. In addition, the authors note that quantitative studies are often descriptive and lacking in explanation; again a role that qualitative research can fill (*ibid.*, also Neergaard and Ulhoi, 2007). Further, investigation into “causal processes, [...] points to the need for interpretation and the collection of qualitative information” (Fleetwood and Ackroyd, 2004, p. 131). Thus, according to Hindle (2004), as qualitative research in this area has been limited, a gap exists for more in-depth contributions to knowledge.

Qualitative research methodology is associated with research attempts to understand the meaning that humans attribute to their experiences and lives, and exploring their social reality (Bryman, 2001; Eisenhardt and Graebner, 2007). Furthermore, according to Marshall and Rossman (1999, p. 4), it is “the goal of qualitative research [...] to develop concepts that enhance the understanding of social phenomena in natural settings, with due emphasis on the meaning, experiences and views of all participants”. According to Lee *et al.* (2011), in order to be able to understand business creation intentions, it is necessary to research an individual in context; their behaviour in ‘real-life’ situations (also Marshall and Rossman, 1999). The research proposed here seeks to understand the motivations specific to an individual’s choice to pursue business start-up whilst also considering the experiences and events which may have contributed to this decision and the consequences of such decisions. Thus in order to gain access to this complex information, particularly considering the perceptual factors which may have affected these choices, it is necessary to engage with research participants on a deep person-to-person level, as recommended by Marshall and Rossman (1999).

In addition, there are several features of a qualitative approach that relate to the use and creation of theory. The current research attempts to assess the causal relationships proposed by SEE intention-behaviour theory (see Figure 3). According to Sayer (1992), quantitative approaches and models do not contribute to knowledge about *causes*, thus a quantitative approach cannot convey the meaning of

actions/events necessary to understand the behaviour of individuals. In addition, this research engages with theory both to test existing theory (i.e. Shapero's Entrepreneurial Event) (deductive element) and to contribute to theory related to possible relationships that exist between motivations and outcomes in the HBB context (inductive element). Thus, although quantitative methods are more frequently associated with the testing of theory (Cresswell, 2003), Bryman (2001) writes that qualitative methodology is also an appropriate strategy for testing theory. Moreover, when developing new theory, or as Danermark *et al.* (2002) explain it from a CR perspective to reveal generative mechanisms, qualitative research is most applicable (also Alasuutari, 1996; Cresswell, 2003).

Although previous quantitative research has focused on the generalizability of theory to varying contexts associated with HBB, this research seeks to move beyond generalizability at a surface level to understand *why* motivation to engage in HBB arises and *how* that affects both business and the individual owners. In seeking to move beyond generalizability to a deeper level of investigation, Marshall and Rossman (1999) recommend a qualitative research approach. According to Cresswell (2003) when research areas are still underdeveloped, as in the case of business creation motivations for HBBs in particular, such that variables are unknown, it is necessary to investigate inductively (also Kujala *et al.*, 2010). Further, limited existing literature and theory related to HBB makes it unfeasible to do a deductive study, therefore, there is a need to start from nothing or limited information and work 'up' (Saunders *et al.*, 2003); qualitative methods are particularly suited to this endeavour.

On these bases, this exploratory, and yet explanatory research, seeks to gain an in-depth understanding of the motivations and intentions of individuals by using a qualitative research approach.

4. 4 Research method

4.4.1 Study setting: Scotland

"Growth companies, growth markets, and growth sectors" are the core of the current Scottish Government's economic strategy (The Scottish Government, 2011, p. 5). They

aim to support these through policies that prioritise economic growth through business growth and the development of a supportive business environment (ibid.). As such the Scottish Government has moved away from supporting new firm formation, to concentrating on high-growth firms (Scottish Enterprise, 2012). However, despite this, only 65 per cent of Scottish SMEs intended to grow according to a UK-wide government report (IFF Research, 2011).

SMEs in Scotland account for 99.3 per cent of all enterprises (340,840), of which 70.6 per cent *have no employees* (implying they are self-employed owners) (The Scottish Government, 2013). This is broadly in line with most modern Western economies. Similar to elsewhere in Europe and the West, a Federation of Small Business survey found that HBBs comprise the largest sector of Scottish small businesses, representing 37 per cent of businesses (Mason *et al.*, 2011). Thus, Scotland is broadly similar to those in which the majority of business creation intentions based research has been conducted. A central feature of CR is the importance of condition or *context* to causation; thus, the ‘process’ of causation in CR is not that X necessarily causes Y in isolation, but that the space between X and Y may be mediated by other conditions which affect whether and how Y actually occurs. Therefore, Scotland, as reasonably representative of modern Western economies, provides a comparable yet new context in which to conduct business creation intentions research.

4.4.2 Data collection

In-depth interviews

According to Chase (1995, p. 1) “all forms of narrative share the fundamental interest in making sense of experience, the interest in constructing and communicating meaning”. In the case of in-depth, qualitative interviews, researchers can gain access to the meanings people have about their experiences and activities (Marshall and Rossman, 1999; Bryman, 2001; Warren, 2002). Thus, they are common to qualitative research undertakings which are exploratory (Marshall and Rossman, 1999; Johnson, 2002). When conducting research which aims to understand *why* a phenomenon occurs, it is necessary to ask rather than simply observe that a behaviour has occurred

(Bryman, 2001; Saunders *et al.*, 2003). As Saunders *et al.* (2003) write, in order to “reveal and understand” (p.266), it is necessary to ask.

The unit of analysis in this research is the person; the individual owner of a Scottish HBB. Thus, in order for the researcher to gain information on the motivations for choices and experiences, it was necessary to engage in interpreting meaning of that behaviour within the context of individuals’ circumstances. Qualitative interviewing allows for multiple perspectives about a phenomenon that an individual, or a collection of individuals, may hold to emerge; thus enabling the interviewer to understand the meaning making process that an individual may engage in (Warren, 2002; Johnson, 2002). In addition, how the interviewee interprets the consequences of behaviour on both business and person is central to exploring the relationship between actions and outcomes, and also tests theories in this case particularly motivations theory. As past motivations cannot be observed, it was necessary to use an alternative method to obtain information. In-depth, semi-structured interviews were the most appropriate means for investigating past motivations and current perceptions of consequences. According to Saunders *et al.* (2003), a semi-structured interview format allows for explanatory work to be undertaken which looks for causal relationships between variables. In addition, interviews are appropriate to research which investigates a specific situation (Bryman, 2001).

In addition, there are practical considerations requiring the use of interviews in this research. It was considered likely that the research would engage with a broad range of businesses by type, geographical location and person, thus, interviewing presented a pragmatic method for sense-making in diverse contexts (Bryman, 2001). Interviews facilitate rapport building through personal contact which, in order to gain access to the data required in this research, would be necessary (Marshall and Rossman, 1999; Saunders *et al.*, 2003). In this way, the interviewee becomes a collaborative partner in the interview exchange and in the overall research (Johnson, 2002). Further, interviews are a flexible tool which allow for going ‘off topic’ and following up interesting points as they arrive in the interview and which may be necessary to explore new meaning for the respondent (Bryman, 2001; Warren, 2002). Through this, emergent issues, pertinent to those whose experience the study seeks to learn from, may be included in the research and analysis. Further, this approach is recommended in order to uncover

the meanings that are important to the individual according to Marshall and Rossman (1999) and Bryman (2001). In addition, as interview questions become refined, that progression forms part of a verification process (Johnson, 2002). According to Saunders *et al.* (2003) this is the most suitable approach to exploring 'why' questions. Interviews also generate rich data (Marshall and Rossman, 1999; Saunders *et al.*, 2003). However, like all research approaches, interviews are also subject to weaknesses. For example, the skill of the interviewer is crucial to getting interviewees to open up and be willing to share their experiences (Marshall and Rossman, 1999).

Theory also recommends several practical aspects specific to interviews. First, when seeking to gain consent to participate, rather than use consent forms, which may undermine promises of confidentiality, consent to voluntarily participate can form part of a recorded interview (Warren, 2002). This may be especially important in the case of HBB, where not all business activity may be 'on the books' (Williams, 2009). Interviews should be recorded as recordings later form a necessary part of the meaningful analysis of data (Johnson, 2002). Bryman (2001) recommends that a general information sheet is completed which gives context to the interview and background to the individual. When the interview commences, it is important to pass the responsibility of talking (with the purpose of sharing their story) to the interviewee (Chase, 1995). Chase (1995) recommends that questions in interviews are created in 'natural' language which allows individuals to express themselves rather than get caught up in the language of research, which often gives the interviewer a report of what they want to hear rather than what is really there. During the interview, consideration should be given to interview context (Warren, 2002) which can include interviewee tone of speech, their demeanour, the location in which the interview took place (see McKenzie, 2007). Occasionally, pertinent remarks may be made post-recorded interview; this is to be expected according to Warren (2002) and should be noted. Supplementary notes, taken during the course of the interview, are recommended and provide a method of data triangulation (Johnson, 2002). After an interview, recordings should be transcribed in full and in such a way as to recognise the creation of a narrative between interviewee and interviewer, which according to Mishler (1991) and McKenzie (2007), is the most appropriate method for accurately representing the interview event. In addition, transcriptions are valuable for reducing the potential for a biased interpretation of the data collected (Bryman, 2001). Further,

transcriptions are important in this process because qualitative interviews are concerned with what and *how* people say what they say. Notes taken during an interview should also be written up in full, which reduces the likelihood of bias in the data occurring (Saunders et al., 2003). McKenzie (2007) recommends that all interview recordings and notes are encrypted and transferred to a computer with a password for secure data storage.

The data collection process in this research

Prior to engaging with any research participant, consideration was given to several ethical factors associated with data collection through in-depth interviews. In the case of exploring HBB, some of the business activity may have an informal character; engaging in research may expose what goes on inside such a HBB, which could affect the individual or their business. In order to limit the potential for 'exposure', confidentiality and anonymity of the participants was assured. In addition, in order to fully report findings, identifying characteristics of the individuals involved were masked. Finally, full ethics approval was sought from the University Ethics Committee.

Thereafter, an initial interview schedule was developed which covered the key themes of the research (i.e. why the individual went in to business, why a HBB was chosen and what the business and personal outcomes were of that choice (see Appendix A)). The interview format was semi-structured. The thematic interview schedule was piloted with two participants in January 2014. This revealed that, whilst the key themes were valid, it may be useful to adapt the phrasing of the questions asked. Thus, the approach to interviewing taken was informal and evolving. It was clear that it was necessary to keep the interview schedule flexible such that it adapted to fit and reflect interviewer-interviewee discussion. This allowed the views of the participants to emerge and guide discussion. Thus, the individual's 'story', or narrative, emerged which facilitated exploration of their past motivations, any life events that contributed to their decision making, and consideration of their current business and personal outcomes. During the interviews it was important to engage in fact and construct checking to confirm answers. The approach taken in this research was to ask an initial open question (e.g. Q3. Why did you go in to business? Refer to Appendix A) and then follow up with questions and prompts to elucidate meaning. For example, in following

up Q3, the interviewer would clarify by checking their understanding of respondents narrative (e.g. So you were facing redundancy?; Your decision was based on XXX. Do I understand you correctly?).

In addition to the interview schedule, a complementary demographic questionnaire was created; this was completed at the end of each interview (Appendix B). The demographic details summary form included basic information about the interviewees, business sector classifications (based on the UK Standard Industrial Classification (SIC) Hierarchy (Office for National Statistics, 2007)), and the categories for length of business operation (based on Global Entrepreneurship Monitor (GEM) classifications for Scotland (Levie, 2012)).

Interviews were conducted via two principal methods: in person and by Skype or telephone. Whilst in-person interviews were the preferred method, this was not always possible for several reasons. First, business-owners were recruited from across Scotland, including in remote rural areas and the Islands; thus, meeting in person was not always possible. Second, business-owners are busy people and oftentimes a Skype or telephone interview was more practical. In-person meetings took place in mutually convenient public locations.

Interviews lasted between 30 minutes and an hour. Before each interview the interviewee was given a verbal summary of the purpose of the interview and its contribution to the research. In this study, informed consent was gained in the opening part of the interview and included on the recording in most cases; this approach was taken to limit respondent concerns about the confidentiality of paper records. Thus, participants were informed of the confidentiality and anonymity of the data collected, and reminded that they could withdraw from the process at any time. Finally, their permission to record the interview was obtained. Interviews were recorded and supplementary triangulation notes were taken during the interview.

Interviews were transcribed in full and in such a way as to recognise the creation of a narrative between interviewee and interviewer. As part of this process a specific qualitative research transcription coding system was used (Appendix C). For example, if a respondent broke off speech during the middle of a word, then a single dash was

made to indicate this (e.g. transc- +transcription). The following passage from a respondent interview illustrates this element of the transcription coding system in practice:

“The Department of Agriculture do rounds of communi- +community - - of funding” (R20)

It should be noted that the quotes used in findings chapters have been ‘cleaned’ of transcription codes to facilitate ease of reading.

The notes that were taken during the interview were also written up in full within one week of the interview. In addition, memos related to the context of the interview including interviewee tone of speech, their demeanour, and interview location were also written up.

All interview recordings and notes were encrypted and transferred to a computer with a password as soon as possible post-interview. A distributed storage principal was followed such that copies of the audio, transcription and individual interviewee details were kept in different locations and not in a way that individual’s details could be linked to their data.

4.4.3 Data Analysis

The purpose of data analysis is to “bring[...] order, structure, and interpretation to the mass of collected data” (Marshall and Rossman, 1999, p. 150; also Bryman, 2001). This section outlines how that was achieved in this research.

First, Miles *et al.* (2014) advise that data collection and analysis should be concurrent as this allows for the future collection of better data. Thus, after each interview, time was taken to reflect and consider any emerging themes or areas of interest. This meant data analysis was an on-going activity. In addition, once 15 interviews had been collected, data collection was paused to allow for a more thorough overview of the data collected to this point. This allowed the researcher to consider the appropriateness of the research method and what the data was beginning to reveal. At this point it became clear that both prefigured and emergent codes would be relevant to analysing the data. This kind of approach is common in qualitative studies (Marshall

and Rossman, 1999). Moreover, this approach allowed for embryonic emerging thematic areas that had not been pre-considered (such as isolation and mental health issues in this study) to be further explored in subsequent interviews. This also allowed for an “if-then” check approach which facilitated exploring possible causal relationships in subsequent interviews (Miles *et al.*, 2014, p. 89). In addition, with ensuing data collection it was possible to work towards theoretical saturation, thus strengthening the interpretation of the codes realised through the process of data collection (Marshall and Rossman, 1999). Overall, this was an efficient approach to the analysis of data and allowed the researcher to manage, and reference with ease, the vast amount of data collected.

During this time, as recommended by Miles *et al.* (2014) to facilitate the management of data and analysis, the data was entered into NVivo software 10. Using NVivo data analysis software was beneficial because it was efficient, contributed to the transparency of how data was coded and analysed due to the explicit process involved, contributed to revealing relationships through its ‘tree’ coding format and, helped with management of thick data and subsequent coding and analysis. The benefits of using a software package were considered superior to criticisms that it can decontextualize data chunks (Bryman, 2001).

Concurrent with the use of qualitative data management software, each of the interview transcripts and the interview and context notes were read several times to become suitably familiar with the data. On a continuously on-going basis throughout the data collection phase, themes and areas of interest in the data emerged and were noted by the researcher as recommended by Bryman (2001). Additionally, at this point, as the individual is the unit of analysis in this research, a profile of each individual and their motivation and business/personal consequences was created.

The second phase of data analysis focused on coding. Codes are “labels that assign symbolic meaning to the descriptive or inferential information compiled during a study” (Miles *et al.*, 2014, p. 71). They are the outcome of a researcher’s interpreted meaning of the data and help to select meaningful data. This research utilised a mix of both deductive (based on a conceptual framework from literature and theory) and inductive (emerged from data) codes. Operational definitions for each code were created so that the phenomena identified and coded were consistent. Codes derived

from theory included, for example extrinsic motivation, human capital and precipitating event. This approach, therefore, informed the selection of data chunks which were allocated to emergent or prefigured coding files in NVivo. Thereafter, critical analysis of each data chunk and coding file in its entirety was undertaken informed by the research questions. For example, RQ2 considers why individuals engage in HBB. Thus, when financial motivations (e.g. seeking to make a profit) were discussed by respondents this provided evidence, in line with theory and literature, of why a respondent engaged in HBB. These codes were subject to data saturation, thereby, each code was reinforced many times over by unique respondents. This gave strength to the value of each code as a meaningful construct in this study.

Using the NVivo to manage the data, codes were systematically applied to each interview transcript. The coding phase remained flexible such that if, through deeper understanding of the data, new categories emerged, it was possible to incorporate into the coding stage of the analysis. This initial phase of data analysis sought to cluster similar data together to help with organisation and to also provide the groundwork for future thematic analysis (Miles *et al.*, 2014). The data was coded on two separate occasions; first to develop initial codes and then recoded afresh several days later to test for internal consistency of the codes as recommended by Miles *et al.* (2014).

Once initial coding was completed, second cycle coding was undertaken looking for patterns from which to develop categories, themes or constructs (Miles *et al.*, 2014). According to Marshall and Rossman (1999), this is the most intellectually stimulating yet challenging phase of data analysis. In this research, the process of finding categories, themes and patterns involved immersion in the data collected. Based on initial first cycle coding and subsequent questioning of the data and the meaning the participants gave to their experiences, patterns began to emerge which formed categories that were unique. It is natural that interviewees may not directly refer to specific themes, their subjective norms for instance. However, according to previous research conducted by Krueger and Brazeal (1994) exploring entrepreneurial intentions, it is possible to identify proxy examples of the concept under investigation. Therefore, a similar approach was taken in this research such that it was the responsibility of the researcher, based on a thorough and deep understanding of the literature and data, to attribute meaning to the experiences described (Marshall and

Rossman, 1999; Miles *et al.*, 2014). During this phase, patterns were not fixed until confirmed by empirical data and were also subject to identifying negative examples such that they may challenge emerging patterns. This provided an opportunity to “evaluate the data for their usefulness and centrality” in terms of understanding the phenomenon under investigation (Marshall and Rossman, 1999, p. 157).

Thereafter, as recommended by Miles *et al.* (2014), in the final stage of the analysis, the data was condensed and matrix and network display format options were applied. This provided frameworks from which to further subject the data to in-depth analysis. This research particularly focused on an ‘ordering’ approach to data (i.e. searching for *how* factors) in attempt to identify influence and affect, and on an ‘explaining’ approach to data (i.e. searching for *why* factors) as an attempt to detect interrelationships, change and causation (ibid.). The ‘explaining’ approach to data fits particularly with the CR position on ‘cause’ as it recognises the multidimensionality of experience and outcome and the importance of context (Miles *et al.*, 2014).

4.4.4 Confirmability, dependability, credibility and transferability

Discussion about the ‘quality’ of qualitative research is inherently challenging (Amis and Silk, 2008) with few commonly agreed ‘standards’, particularly when considering ontological and epistemological positions (Wigren, 2007). Further, Easterby-Smith *et al.* (2008) argue that criteria must be viewed as reference points rather than definitive lists. Despite this ambiguity, Miles *et al.* (2014) propose several criteria (listed in section title) as being congruent to a critical realist study. An examination of how this research has met those requirements is now presented.

First, confirmability refers to assessment of whether any research bias exists and that the data collected are ‘real’ (Wigren, 2007; Miles *et al.*, 2014). The methods and procedures outlined in this chapter seek to give explicit detail which allows the reader to have full knowledge of the empirical work that was undertaken. This includes information about how the sample was selected and collected, how data was collected, processed and manipulated for analysis. During data analysis and discussion negative or disconfirmatory data were considered and subject to further re-analysis. In addition, researcher reflexivity is discussed in detail in the following limitations section.

Second, dependability refers to the research process undertaken including consideration of the research timetable, methods and researcher (Wigren, 2007; Miles *et al.*, 2014). In this study, the research questions were clearly developed based on a thorough literature review and were the precursor, in tandem with philosophical position, to the research methods selected. From analysis, it was evident that the findings were consistent (excepting disconfirmatory data) across different data collection times, participants and business types. Further, the sample was purposively selected to provide data which met a full range of factors important to answering the research questions. This research has been based on the theoretical antecedents of intentions theory which are clearly described in the literature review. Given the nature of this PhD study, it was not possible to have a multi-researcher approach; nevertheless, the nature of this research project, which involved a reflection 'time-out', provided valuable reassessment of first stage data and avoids potential tunnel vision.

Third, credibility refers to the fit between the participants responses and views and the researchers interpretation of such and how this is represented in the text – are they authentic and credible (Wigren, 2007; Miles *et al.*, 2014)? This research has collected a significant amount of thick data from which excerpts are presented in the findings to convey the context and meaning that an individual attributes to their experiences. Further, data collection was triangulated. According to Bøllingtoft (2007) triangulation can take several forms: data, investigator, theory and methodological. This research used data triangulation by collecting data at several different time points over the course of six months, with 30 unique participants. Further, qualitative interviews facilitate "establishing common patterns or themes between particular types of respondents" (Warren, 2002, p. 85), whereby, qualitative interviewing may contribute to the analytical potential of the findings and the robustness of the research. It also used between-method triangulation by comparing the current results and conclusions of this study to other similar but quantitative studies in the field as per recommendations by Bøllingtoft (2007) for when conducting critical realist research. Finally, the emergent findings categories were linked to previous theory, in this case, SEE theory.

Finally, transferability refers to whether the findings of this research could be generalizable to a different context based on the information provided; however, this is dependent on the readers assessment (Wigren, 2007; Miles *et al.*, 2014). To this end, this research has set out extensive details about the original sample to provide the reader with a full description to enable comparison to alternative context(s). Additionally, this research presents thick description, findings are congruent with prior theory, and the limitations of the sample and its applicability in alternative contexts is discussed.

4.4.5 Limitations

First, data in a qualitative study is filtered by the researcher and as such the researcher informs the construction of knowledge (Bryman, 2001). Thus, the knowledge revealed may be “laden with values” or bias which may affect the choices made by the researcher (Cresswell, 2003, p. 182). Therefore, Bryman (2001) recommends that information about researcher values, biases and assumptions are outlined for the reader. In this case, the researcher has personally operated, and has a family background of, several HBBs. This has proved beneficial in creating the research topic and questions and, more importantly, engaging with the HBB community and individual owners to build trust and gain access. It provides the researcher with a first-hand understanding of operating within the HBB context. However, it also creates the possibility of limiting the researcher’s ability to think beyond her experiences and biases. Nevertheless, throughout the research the researcher was reflexive about themselves, each stage of the research process and their research relationships. Thus continuous reflection by the researcher was undertaken in an attempt to acknowledge potential limitations to the research process.

In addition, due to experience in this context, on occasion, the researcher has interviewed acquaintances who run HBBs. In order to lessen potential difficulties (i.e. issues with gaining access to confidential information) with this kind of exposure to ‘backyard’ research participants (Cresswell, 2003), the researcher only interviewed ‘arms-length’ HBB owners where appropriate. That is, HBB owners who were well known to the researcher were only contacted for the purposes of snowballing to other HBB owner contacts. Despite the ‘arms-length’ connection to some interviewees, each

interview did not constitute a reflexive dyadic relationship (Ellis and Berger, 2002). This is because the interviews were one off events and therefore, there was not enough continuous contact to alter more than the initial 'relationship agreement' that we had entered into as interviewer and interviewee. Thus, while the researchers' previous 'life' influenced the research to the extent that experience helped to connect with interviewees and understand their perspective it did not compromise the data collected during the interview relationship.

Second, this is cross-sectional qualitative research with a sample of 30; therefore, it is not likely to be generalizable unless the reader interprets it to be so as discussed in the previous section (Section 4.4.4). Also, interviewing participants about past experiences can result in post-hoc reflection bias. This is where individuals may reflect on their past experiences in a more positive or negative way and which may subsequently influence their responses about why they chose to start a HBB. This is accepted, but in all practicality, it is not possible in the research to avoid that factor. However, with several nascent business owners participating, in part this element may be reduced somewhat.

There are also potential limitations with regards to the philosophical position taken by the research. Whilst critical realism proposes an ontological reality and a subjective epistemology it may be that a purely positivist or constructionist position may be more appropriate as a means to understanding cognitive intentions of individuals. Further, the use of a qualitative approach to answer the research questions posed in this study may limit the scope of the study whereby macro-economic factors and variables may not have been considered to their fullest extent. This may be better suited to a quantitative study of which several have been conducted in this context. This qualitative study may therefore provide an initial exploratory platform from which to inform future studies. In addition, the use of interviews may also be a limitation due to the circumstances in which they took place. Future studies may seek to include interviews conducted over several different time periods with the same individuals and complemented with observations, although this may result in significant ethical and practical considerations. Finally, the intention concepts employed in this research are cognitive and thus challenging to be prescriptive about; nevertheless, the findings of

this research appear to fit with previous research which is suggestive of a fit between empirical data and the concepts proposed by SEE theory.

4.5 Sample

According to Scottish Government figures cited in Mason and Reuschke (2015), the total Scottish HBB population is 187,640, comprising 58 per cent of Scottish micro businesses. However, there is no official register of HBBs within Scotland, nor a recognised standard definition (refer to Section 2.2.3, Chapter 2). Further, it is an established characteristic of the HBB that it is hidden from 'plain' sight (Dwelly *et al.*, 2005; Mason *et al.*, 2011). Therefore, gaining access to a representative sample is unlikely. In addition, this research sought to investigate personal motivations taking an in-depth, exploratory methodology approach. According to McKenzie (2007), this requires a more informal and trust-based approach. These circumstances, both sample availability and the exploratory nature of the research, have informed the qualitative approach to this research and consequently the collection of data from a non-generalisable sample.

In sampling situations like this, Miles *et al.* (2014) recommend a purposive sampling approach. First, purposive sampling, which can work in conjunction with other sampling approaches, involves a small number of "information-rich cases" regarding the phenomenon of interest (Marshall and Rossman, 1999, p. 78). This approach has been taken by other business creation intentions research (e.g. Krueger *et al.*, 2000). Snowball sampling is recommended in circumstances where it is difficult to gain open access to a sample population (Bryman, 2001; Saunders *et al.*, 2003; Neergaard, 2007), which is the case with HBBs (Dwelly *et al.*, 2005). Furthermore, these sampling approaches are consistent with the use of qualitative data collection methods.

4.5.1 Sample: selection and criteria

The criteria for selection of HBBs of interest and relevance to this research is linked to the typology presented in the theoretical framework (Chapter 2, Section 2.2.3). It is as follows:

- HBB must operate *within the home premises* for the majority of their business hours
- HBB must have the business registered at the home address
- HBB must be registered for taxation as self-employed or as a company

Further, as a triangulation measure, business websites, the yellow pages or the fact that businesses were accessed via word of mouth referrals was evidence of authentic business activity.

Participants for this research were recruited via two methods recommended for challenging sample groups. The first method involved a purposive intensity sampling approach involving a two-strand procedure. In the first instance, individuals self-selected to participate in the research. Thereafter, the researcher considered their potential to provide in-depth information and knowledge about the phenomenon of interest; subsequently participants were invited to take part in the research. The research was promoted in areas where it was thought likely that HBB owners would become aware of it. Several different self-selection options were put in place (listed below). In order to facilitate consistency, the same poster and/or email text was used on each occasion (see Appendix D).

1. Posters were placed in a business support agency offices (i.e. Business Gateway) across Scotland as HBBs may make use of their services
2. Personal social media and a Heriot-Watt research centre online site were used to promote the research
3. Local groups and business networks were contacted and information about the research distributed to their members
4. Contacts were sourced through university colleagues and through the lead researcher

The second sampling method used was snowballing. This is where a self-selecting interviewee was asked if they were aware of other HBB owners who would fit the research profile and be interested in taking part in the research.

To provide a broad picture, attempts were made to engage with a cross-section of HBBs by gender, geographical location and business age/stage. Theoretical saturation informed the number of in-depth interviews undertaken. In this study theoretical

saturation consisted of two types. First, theoretical saturation was based on obtaining a mix of human capital levels as described in the proposed typology and second, overall for the entire sample where the themes emerging began to become established with little or no new information to challenge them. This resulted in the collection of 30 interviews.

4.5.2 Sample in this study

Of the 30 participants who took part in this research, 13 were male and 17 were female. Ages spanned the spectrum from the 16-24 category to 65+, although the vast majority, two-thirds, were concentrated in two age categories 35-44 and 45-54. This was a well-educated sample with 24 participants having an undergraduate qualification or higher, and the remaining six having college or school-level education. In terms of their businesses most were engaged in services activity (21), followed by manufacturing (six), there were also two in retail and one in hospitality. Most were either new businesses (operating less than 42 months) or established with three stating that they were nascent businesses (operating less than 3 months) as per Global Entrepreneurship Monitor definitions (Levie, 2012). Revenue also spanned a broad spectrum (£0-10k - £51-100k) with most (n=21) earning £50,000 per annum or less; five participants did not want to disclose earnings or due to nascent status were not sure of revenue. Long hours were common in the businesses with just under half (n=14) reporting that they worked 41 hours per week or more, and half of those worked 50 hours plus in their businesses (n=7). Nine participants also had second jobs that many were willing to pair with their home-business rather than viewing it as a means to support their home-business activities. Only two of the businesses – one services, one hospitality – had employees; one employee each. Finally, 21 of the participants operated their business from an urban home-base in comparison to the nine which were located in rural areas. Table 5 presents details of the sample and Table 6 gives a case-by-case summary of the individuals and their businesses.

| Respondent | Gender | Age | Marital Status | Dependents | Educational attainment | Business type | Business age Nascent (>3 months) New Business (>42 months) Established (<43 months) | Revenue in £1,000s | Full-time (<30hrs) or part-time (>29hrs) business | Second job |
|------------|--------|-------|----------------|------------|------------------------|---------------|--|--------------------|---|------------|
| R1 | M | 25-34 | Married | N | Doctorate | Services | New Business | 11-25 | PT | Y |
| R2 | F | 35-44 | Single | N | Postgraduate | Services | New Business | 11-25 | FT | N |
| R3 | F | 35-44 | Married | N | Postgraduate | Services | New Business | 0-10 | FT | N |
| R4 | F | 45-54 | Married | Y | Undergraduate | Services | Established | 0-10 | PT | Y |
| R5 | F | 55-64 | Divorced | N | School | Services | Established | 26-50 | FT | N |
| R6 | M | 25-34 | Married | N | School | Services | New Business | 26-50 | FT | N |
| R7 | M | 35-44 | Single | N | Doctorate | Services | Established | 11-25 | FT | N |
| R8 | F | 55-64 | Married | N | School | Services | Established | - | FT | N |
| R9 | F | 25-34 | Married | Y | Undergraduate | Manufacturing | Nascent | - | PT | N |
| R10 | M | 35-44 | Married | Y | Postgraduate | Services | New Business | 51-100 | FT | N |
| R11 | F | 16-24 | Single | N | Undergraduate | Retail | New Business | 11-25 | PT | Y |
| R12 | M | 35-44 | Partner | N | Undergraduate | Services | Established | 26-50 | FT | Y |
| R13 | M | 45-54 | Married | N | Postgraduate | Services | New Business | 51-100 | FT | N |
| R14 | M | 35-44 | Divorced | N | Doctorate | Services | New Business | 0-10 | FT | N |
| R15 | F | 25-34 | Married | Y | Postgraduate | Retail | New Business | 0-10 | PT | N |
| R16 | M | 65+ | Married | N | School | Services | Established | 0-10 | PT | N |
| R17 | F | 35-44 | Married | Y | Postgraduate | Manufacturing | Nascent | - | FT | Y |
| R18 | M | 35-44 | Separated | Y | Undergraduate | Services | Nascent | - | PT | Y |
| R19 | M | 45-54 | Married | N | College | Services | Established | 11-25 | FT | N |
| R20 | F | 55-64 | Married | N | Undergraduate | Hospitality | New Business | 11-25 | FT | N |
| R21 | F | 45-54 | Married | Y | Postgraduate | Manufacturing | Established | 26-50 | PT | N |
| R22 | F | 45-54 | Partner | Y | Postgraduate | Services | Established | 0-10 | FT | N |
| R23 | F | 25-34 | Partner | Y | Undergraduate | Manufacturing | New Business | 0-10 | PT | N |
| R24 | M | 35-44 | Married | Y | Undergraduate | Services | New Business | 0-10 | FT | Y |
| R25 | M | 65+ | Married | N | Undergraduate | Services | Established | 26-50 | FT | N |
| R26 | F | 35-44 | Married | Y | Undergraduate | Services | Established | 51-100 | PT | N |
| R27 | F | 35-44 | Divorced | N | Postgraduate | Manufacturing | Established | - | PT | Y |
| R28 | F | 35-44 | Married | Y | Undergraduate | Services | Established | 26-50 | FT | N |
| R29 | M | 35-44 | Married | Y | School | Services | Established | 26-50 | FT | N |
| R30 | F | 35-44 | Married | N | Undergraduate | Manufacturing | New Business | 0-10 | PT | Y |

Table 5. Sample details

| Participant | Short description |
|-------------|--|
| R1 | Doctoral student, with previous experience in the industry, running an online marketing services company. |
| R2 | Masters-level languages graduate running a translation service. |
| R3 | MBA qualified with a background in financial services retrained as a Pilates instructor. Now running a health and well-being business. |
| R4 | Graduate schoolteacher and has since retrained as a translator running a translation business alongside other part-time work. |
| R5 | School-leaver. Specialist hairdresser (bridal) with experience of city-centre salons. Recently moved operations to a home studio. |
| R6 | School-leaver and IT systems apprentice. Initially established the IT business in Glasgow. Moved to Aberdeen for greater business opportunities. |
| R7 | Graduate. Runs several businesses pursuing interests in languages, IT and music. |
| R8 | School-leaver. Runs a full-time 'hobby' genealogy business |
| R9 | Graduate running a small scale gift manufacturing business. |
| R10 | Masters-level graduate with several years of consultancy experience as an employee. Created own business to serve the same industry. |
| R11 | Recent graduate running a small business as a retailer of health and wellness products. |
| R12 | Languages graduate with work experience in the translation field currently running own translation business. |
| R13 | Masters-level graduate with extensive industry experience as an employee. Created own consultancy business to serve the same industry. |
| R14 | Doctorate in physics and several years in IT software start-ups. Established an IT-based data management business. |
| R15 | Masters-level graduate who is a retailer of household cleaning products. |
| R16 | School-leaver nearing retirement. Runs a management training and consultancy business. |
| R17 | Masters-level business studies graduate in the nascent stages of a 'hot sauce' manufacturing business (food). |
| R18 | Recent IT-studies graduate in the nascent stages of a telecommunications services business. |
| R19 | College-leaver with several years of industry experience as a draughtsman and set up his own business in the same industry. |
| R20 | Graduate and now retiree. Based on a farm and runs the farm house as a B&B. |
| R21 | Masters-level arts graduate running a small scale business manufacturing ceramic-based products. |
| R22 | Masters-level graduate with experience in the Third sector. Set up a training business to cater to the Third sector. |
| R23 | Graduate running a small-scale jewellery manufacturing business. |
| R24 | Business studies graduate with corporate business experience. Runs a sandwich shop franchise and has also set up a property rentals business. |
| R25 | Graduate whose business is as a freelance writer. |
| R26 | Graduate who worked for several years at some of the 'big six' accountancy firms. Started own accountancy and tax business. |
| R27 | Masters-level arts-graduate runs a small printmaking manufacturing business. |
| R28 | Graduate with work experience in politics 'back office'. Business delivers spiritual healing events and workshops. |
| R29 | School-leaver with several years' work experience in a bank. Now runs a business as a reseller of services. |
| R30 | Arts-graduate runs a small-scale accessories manufacturing business. |

Table 6. Summary of sample business descriptions

Chapter Five: Dimensions of a Home-based business

5.1 Introduction and overview

This chapter serves two functions. First, it reviews and discusses some characteristics of the sample that are of importance. Second, it seeks to answer RQ1, what are the key dimensions of a HBB? (objective 1). The typology proposed as an initial theoretical framework in Chapter 2 will be assessed for its suitability and fit in light of the findings from this study. Thereafter, relevant modifications/extensions are proposed and discussed.

5.2 Home-based business characteristics

Many of the characteristics in this sample, both owner and business, are similar to those of previous 'mapping' studies investigating the HBB phenomenon (e.g. Mason *et al.*, 2011; Enterprise Nation, 2014), and micro-businesses in general. However, analysis of several characteristics – gender, working hours and age of the business – reveal additional findings and as such require further discussion. Each will be discussed in turn.

Gender

As discussed in Chapter 2 where previous research has 'mapped' the HBB phenomenon, significant attention has been paid to the gender of the HBB owners, largely based on the assumption that a HBB owner is female (Walker, 2003). However, in many subsequent studies including Walker (2003) (also Dwelly *et al.*, 2005; Mason *et al.*, 2011), the gendered assumption of HBB owners was challenged, with significantly larger percentages of males than females operating HBBs. However, in some of these previous studies HBBs included both those which had a business address registered at home and those where actual operation of the business took place *in* the home. In this study, 13 of the participants were male and 17 were female. While this study engaged with more females than males, it has not attempted to generalise. As such, it would not be possible to suggest that HBB is a gendered phenomenon in the Scottish context.

Working hours

Of the thirty businesses, 17 were operated as full-time businesses (35 hours or more per week) with the remaining 13 part-time. Corroborating literature in Chapter 2, this study finds also nine of the sample, four men and five women, had second jobs. For five of these cases, having a second job and running their business at the same time was a happy comprise. For the remaining four, the business was the preferred option, but the second job was making the business possible until such time, as they would be able to 'move on'. It should be noted that of those with second jobs, six were part-time in both business and job, whereas the other three worked in their job and ran their business both on a full-time basis. The findings with regards to having a second job may be related to the low financial capital levels found in this sample.

Further to the full-time or part-time categorisation, the participants often referred to the number of hours they worked, or committed to working on their businesses. Many of the participants felt they worked long hours with seven working between 41 and 50 per week and seven working 50 hours or more per week. This resulted in many feeling that they were 'always working' (e.g. R28, R24, R13, R6). For example R6 says:

Technically off work but not really. And as I was saying to you, I'm filling in paper work for a contract I'm starting tomorrow. I feel I'm off if you know what I mean. Technically my office hours are between like half eight in the morning and six at night. Very often unfortunately, the needs of the business dictate that I can't do that. You know, I've got to get what needs to be done for the next day. I suppose phone calls stop at six o'clock but unfortunately sometimes I can't. And that's just the nature of running your own business. (R6, IT services)

In addition, mention was often made about managing work hours to fit with client requests or the need to remain flexible in order to get work done:

There's not a set system and I try and be a bit more systematic, but because work is so varied from day to day, you know it's not just a routine where you know you're going to start work at nine o'clock. For example you could be working from seven am, you know to three pm or later, you know. Or you could start at ten am and finish at ten pm at night. You know from ten to ten. So, it's not a set pattern. (R2, translation services)

Working long hours is common to self-employment activity (Bourne and Forman, 2013) and HBB (Mustafa and Gold, 2013). It may be particularly accurate in this study as the sample comprises of a high number of service businesses, which allow work to be undertaken at any time of day. Of interest also in this sample is that almost a third have a second job, sometimes also in a full-time capacity.

Age of the business

This sample included three nascent businesses, 13 new businesses (operating for less than 42 months) and 14 established businesses (Levie, 2012). As noted in Chapter 2, it is commonly reported that HBBs can be used as the location of business 'start-ups' as working at home reduces initial costs. In this study, of the three nascent businesses only one, R17 in food manufacture, saw herself moving out of the home environment. For R18, a start-up keen to grow his nascent web-based telecommunications business, he sees no value in moving his work activity out of the home:

Let me say for example, if the business grows and if I need more facilities [...] I just need to move my computer from my house to a data centre. That's it. That will be the only shift which is required: moving from home to data centre. (R18, telecommunications services)

The number of established businesses is almost half of the sample, a finding which reflects Walker's (2003) Australian study. Further it is similar to Mason *et al.*'s (2011) findings which concluded that in cases where growth requires leaving the home-base, alternative means such as sub-contracting were employed, thereby reducing the need to leave the home. This may suggest that this sample is similar, although for some of the established businesses it was not the complications of growth, but cost minimisation that continued to keep the business at home, as exemplified by R16:

I toyed with it a couple of times, talked to people who worked out of business centres, had a look at it, but I never seriously looked at it. It would have increased my costs too much. Working from home, almost every penny that came in was mine. (R16, training consultant)

Thus it may be possible to suggest that there are different factors that influence the decision to continue operating a business in the home. This may include necessity factors whereby the cost of moving to a non-home location would put too much pressure on the business. Alternatively, it may be the convenience of the home base, either for the business due to its type or for the individual.

Many of the business characteristics discussed thus far would be recognisable in the context of small or micro-businesses in general. Yet despite these similarities, it is the fact that business activities take place *in the home* that is worthy of further investigation and deeper conceptualisation. The dimensions that emerge as important characteristics of the HBB phenomenon in this sample are now presented as typologies and discussed in the following section.

5.3 A HBB typology?

HBB is a heterogeneous phenomenon so a single definition is inappropriate. Instead, typology framework(s) may help to shape the field. This research has endeavoured to consider the HBB and their owners with just such an aim. The initial typology (T1 discussed in Chapter 2 – Figure 5, see below) was proposed within a broad business paradigm, such that the human capital requirements of the business, considered an important business factor, were included. However, analysis of the data revealed that several other factors were important to the ‘shaping’ of HBB.

These additional factors were derived with reference to theory and data. In the case of Typology 2 (T2) for example, the data collected clearly indicated levels of formal educational attainment, thus whether a respondent had a PhD or school level of education (X axis). The Y axis, which maps the core human capital requirement of the business activity, and the placement of the HBBs along it, was developed based on theory and cross-referenced with data. According to Felstead and Jewson (2000), *discretion* indicates the extent to which individuals have control of their ‘job’ role, i.e. the level to which the requirements of their job or business activity allow them to engage in problem-solving and decision-making activity. The data collected in this study was coded according to differing levels of discretion. Therefore, the accountant stated a high level of business activity discretion, whereas the B&B owner has limited

discretion as their business activity is largely repetitive and client/demand led. Further, T2 was validated in consultation with entrepreneurship academics.

Therefore, as well as human capital required of the business activity (as proposed in the initial typology), educational attainment of the owner as a proxy for human capital (as opposed to requirements for the business); technology; and gender were identified as key factors. Thus in light of the owners and business characteristics identified, and referring to the typology proposed in Chapter 2 (Figure 5), analyses of each of these typology variations are now presented and discussed in turn.

T1 Human capital of the owner and location (Original typology proposed)

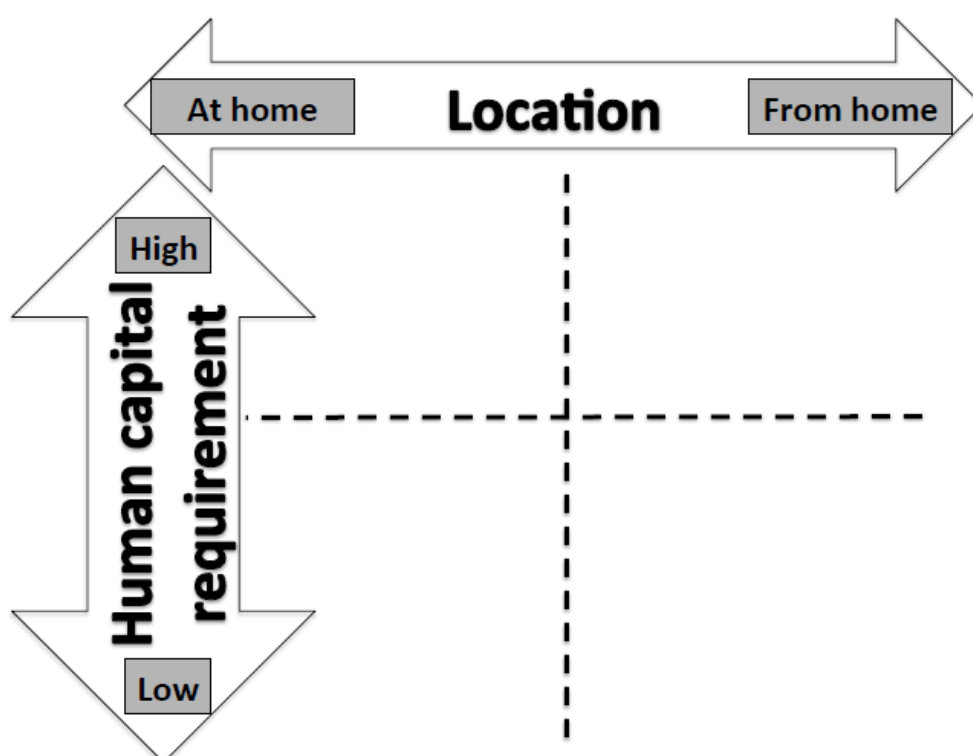


Figure 5. Human capital and business location typology (T1)

The emerging evidence reported in this chapter about the features of HBBs in this sample at least, suggest that the original typology as illustrated in Figure 5, is limited in terms of affording understanding. This is because the human capital axis proposed here is conceptualised in terms of the educational attainment level required to operate a particular business. In the initial development of this typology it was presumed that the human capital of the individual actually owning and operating the business would be a match to the human capital requirement of the business.

However, this was not found to be the case for this sample and thus a new improved typology(ies) is required to reflect this discrepancy. In addition, T1 was an initial mapping exercise to distinguish between those who operated businesses *in* the home and those who run businesses *from* home. However, as this research includes investigation of HBBs defined as based at home only (rather than from), distinguishing location in this way is now redundant. Nevertheless, it is worth noting that future studies should make the location in which work is actually conducted clear as the findings of this study suggest some unique business and personal factors of operating a business *in* the home which are likely to differ from those operating a *from* home business. For all further analyses, location is consistent as indicating HBB that is conducted *in* the home.

T2 Human capital: requirement and attainment

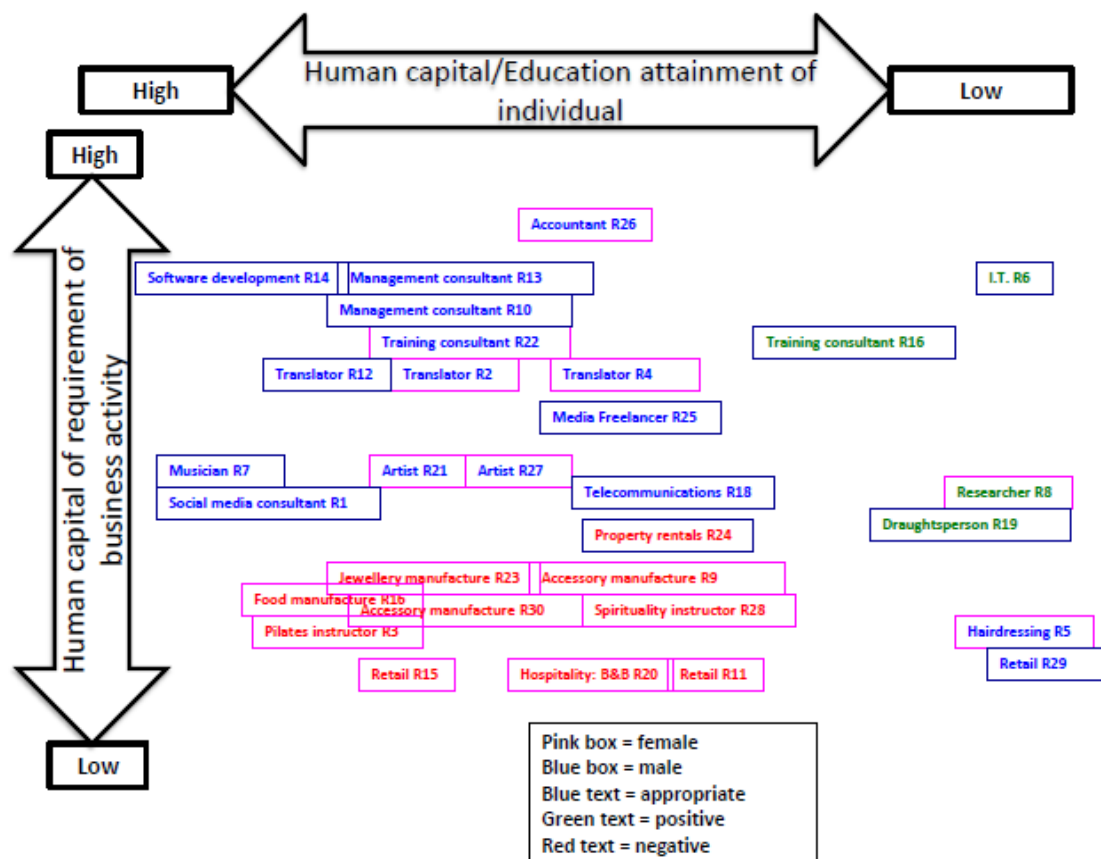


Figure 6. Human Capital: requirement and attainment (T2)

Typology two (T2) in Figure 6 plots the respondents to the current study according to educational attainment of the individual and the educational attainment required by the business (i.e. discretion). What this typology appears to indicate is that, for this

sample, most of those engaging in HBB do so with a match between their educational attainment and what they do with their businesses. This suggests that several of these individuals engage in micro business activities based on their previous experience or 'what they know'. However, it suggests two further things. First, by being a HBB owner it appears that there is the potential to either engage in a business which requires greater educational attainment than you have (as is the case for R16 who runs a training consultancy and has school-leaver educational attainment), or those who go the opposite way and create and operate businesses which require lower education and training than the individual operating it has attained (as is found for R3 who is a MBA graduate operating a Pilates instruction business). Second, this appears to be a gendered phenomenon whereby, women in this sample appear more likely to be creating and operating businesses which require low levels of human capital and yet, many have high levels of educational attainment. The reverse is true of some male respondents, although not to the same degree.

T3 Technology: human capital requirement and use of technology

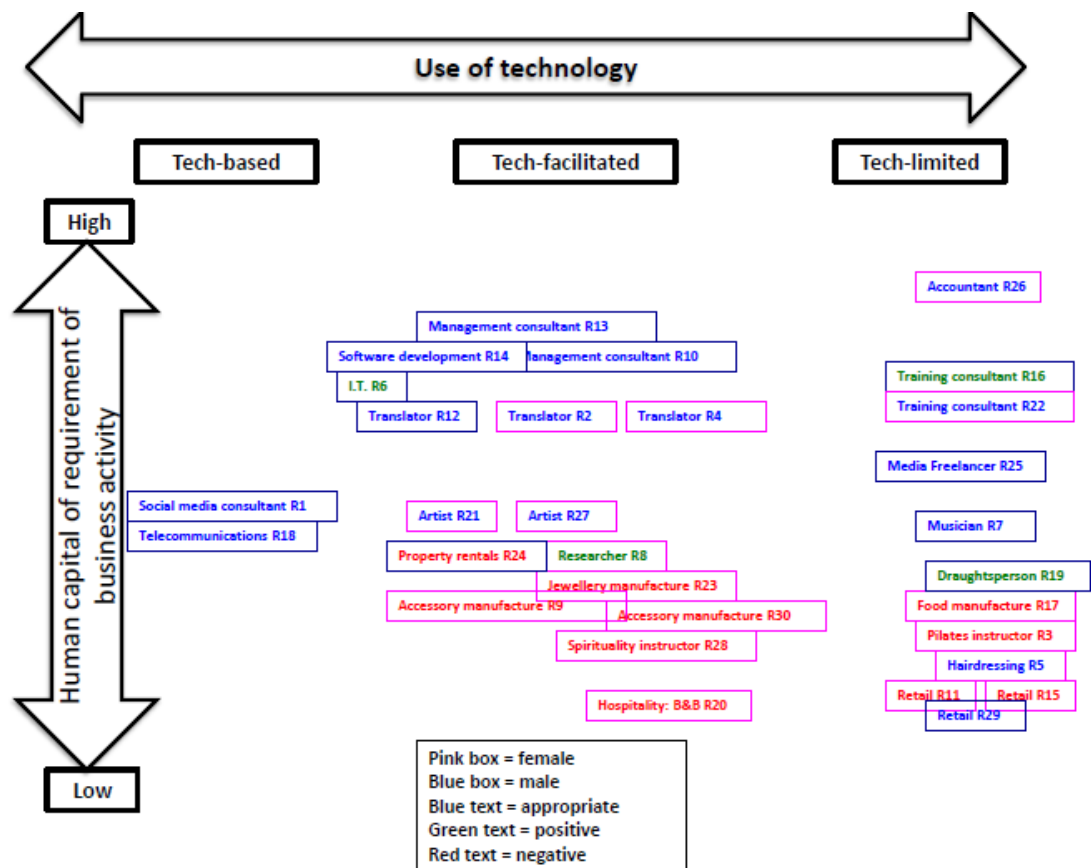


Figure 7. Technology: Human Capital requirement & use of Technology (T3)

Typology three (T3) in Figure 7 plots the human capital requirements of the business against how those businesses are utilising technology. The HBB literature would appear to suggest that the prevalence of business services activities are linked to improvements and developments in technology. From the findings in this study, the way that technology features in these businesses can be categorised as: 1) those who run ‘technology-based’ businesses (n=2), 2) ‘technology-facilitated’, i.e. those that use technology, for example through Etsy or Facebook, to sell their goods and services but it is not a technology business (n=16), and 3) ‘technology-limited’ (n=12), i.e. those where technology is limited to low-level activities such as accessing email or no usage at all. This typology illustrates that many in this sample were either technology-based or are facilitated in their business activities by technology. Thus, in previous research that has highlighted the importance of technology, this research may support such findings (e.g. Mason *et al.*, 2011). However, this research also finds that over one third of these respondents are technology-limited in their activities. Therefore, whilst

technology is lauded as a contributory factor towards the growth in the number of individuals engaging in HBB activities, it does not appear to reach across the HBB spectrum. Consequently, the idea that HBBs are running technology-based businesses is the first conception of the sector to be challenged. Second, whilst it appears that many businesses do business facilitated by technology, a third of the respondents in this sample do not. This infers that any idea that the HBB is homogenous in terms of its use of technology must be questioned.

5.4 Conclusions

The purpose of sections 5.2 and 5.3 has been to consider both owner and business characteristics of the HBBs in this sample. In doing so, the characteristics of HBBs emerge as similar, and in some cases unique, in comparison to other small and micro-businesses. Further, based on this review and analysis, two additional typologies that may assist in more clearly delineating our understanding of this phenomenon are created and discussed.

The HBB owners in this sample were well-educated, were aged across the 16-64 age range, were almost an equal split of male and female and almost half had dependent children. Further, with regards to the age of these businesses, over 50 per cent of this sample are young (BMG Research, 2013a). It emerges from analysis of this sample that they have characteristics that appear similar to those of small businesses in general, especially micro enterprises. Indeed all of the HBBs in this sample are micro enterprises. What is interesting about this is that discussion about HBB often posits this kind of business activity as 'different' to non-HBB. Despite this, when comparing this sample of HBBs to micro enterprises with no employees (see BMG Research, 2013a), key differences emerge. The first concerns the gender of owners. According to BMG Research (2013a), 61 per cent of SME owners of businesses with no employees are male. Equally, the findings of this study may also indicate that HBBs are not overwhelmingly operated by females in contrast to the UK findings of Enterprise Nation (2014) (64 per cent HBBs run by females). Whilst recognising that this sample is not a representative one, the random self-selection of 17 women-led HBBs (out of a total of 30) might indicate that there is greater gender balance in those operating HBBs. Human capital (understood here in terms of educational attainment) emerges as

another key factor. In many cases in this sample there is a discrepancy between the human capital required to operate the chosen business activity and the human capital attained by the individual. In most cases, the mismatch between required and attained human capital is a downgrading of attained human capital (i.e. individuals with high levels of human capital operate businesses which require low levels of human capital). This factor is particularly predominant among the women in this sample where nine (from 17) represent this group. This suggests that gender may be an important factor in considering the *type* of HBBs that are created.

Chapter Six: Why individuals engage in home-based business

6.1 Introduction and overview

This chapter presents findings related to RQ2: why do individuals engage in home-based business? Further, the validity of a theory of entrepreneurial intent – Shapero’s Entrepreneurial Event Theory (SEE) – is assessed (objective 2). In seeking to understand *why* individuals create a business, several sub-questions emerge. Each will be addressed in turn:

- a) What are the motivations for business creation?
- b) Why home-based business in particular?
- c) What contextual factors are present when intentions are formed?
- d) Is Shapero’s Entrepreneurial Event Theory valid in this context?

First, the motivations for business creation, which have intrinsic and extrinsic qualities, are considered. In addition, interviewees considered creating a HBB in particular to be driven by specific motivations, and these include both business and personal factors. The self-efficacy, or feasibility, of business creation which is underpinned by financial, human and social capital factors is considered next. Thereafter, contextual factors within which business creation cognitive processes occur are of relevance. These include subjective norms factors, both personal and environmental; and a ‘precipitating event’ for business creation. Finally, the contribution of, and to, SEE Theory is outlined.

6.2 Motivations for business creation

6.2.1 Extrinsic motivations

Financial

Financial motivations for business creation were in evidence across the sample. However there were several different types of this ranging from desire to need. For example, for R29 the amount of financial return was very important:

To have £10,000 a month coming in whether I'm working or not was a goal. You can list as many goals as you want. From the house in [Expensive Location] at £1.1million, to going in to space, to going on more holidays, you name it I can show you; they're all on my phone. I'm very goal orientated. (R29, services reseller)

Still in line with attaining financial outcomes were those who sought to generate *extra* income. For example, R24 already runs one non-HBB which he hopes to supplement with income from his new HBB:

I wanted something that would work alongside [Other Business]. 'Cause [Other Business] isn't going to, you know, provide a fantastic amount of money for family and buying houses in [Expensive Location] and doing all that sort of stuff. (R24, online property rentals)

In contrast, for others, such as R28 and R22, there was a distinct *need* to generate income:

I wanted to get a wage and not be on benefits basically. (R28, spiritual well-being business)

Finally, there were HBB owners for whom generating financial returns from engaging in their business were not a motivational factor at all, as R30 says of her crafts business:

I mean that's one side of it, but I don't really do it for the money. I do it just for the satisfaction. (R30, accessories manufacturer)

Wealth creation is widely reported as a principal motivator for business creation (Kuratko *et al.*, 1997; Carsrud and Brännback, 2011). This research finds that financial motivations for engaging in business creation are an important underpinning factor but that the extent to which it is a driver of HBB varies. Financial returns were desired by some, needed by others, were for 'extra', or not a huge factor. Indeed, the primacy attributed to financial motivations for business creation of small firms in general, whilst present in this study, is not a uniformly held attitude towards HBB creation. Further, this may reflect the low income levels of this particular sample.

Status

In this research, recognition factors – need for approval, achievement, status and influence (Carter *et al.*, 2003) – were more commonly reported than stated financial motivators. Over half the sample indicated that this was of importance to them and was equally the case for both males and females. For example, R14 is very explicit about his desire for recognition in terms of a need for approval and status with regards to his skills:

I wanted to become known to be good in my field. I don't ever want to be known as an expert, because I think experts are just ego-led. [...] But being known for being good in your area is really my main aim. And all the projects I've worked on I've basically, you know, got written into the contract saying yes I'm happy to work for remuneration whether it be in terms of equity or of actual money, but you've also got to promote me as being a knowledgeable person in the area. (R14, data management)

Alternatively, R17 seeks status through her attempts to influence her customers in terms of educating them about her and her culture (R17 is originally from Tanzania). She says:

You know, a lot of people are like: Where is Tanzania? You know, a lot of people are like, oh right. Is that where Kilimanjaro? Is Mount Kilimanjaro in Tanzania? So a lot of them actually use Kilimanjaro, to educate a lot of people, to tell them: this is the taste of Tanzania; this is where Tanzania is. We are promoting the country as well. (R17, food manufacturer)

Status and recognition in various forms were found to be common across this sample. This would suggest that recognition and the status of a business owner has significant value for those who engage in HBB. Hessels *et al.* (2008) find similar in the small business context generally, as does research investigating other contexts (e.g. Dhaliwal, 2000, on ethnicity; Segers *et al.*, 2008, the capitalist economy). This finding contrasts somewhat with those of Daniel *et al.* (2014) where they report that their sample created online HBBs as a form of 'affordable loss' such that individuals would be able to protect their status and reputation in the case of failure. In this sample however, business creation was seen to positively reinforce one's status and

reputation and some of the sample were keen to identify with being an “entrepreneur” (e.g. R6, R1). This fits with the research of Farmer *et al.* (2011), who found that identification with the entrepreneur ‘label’ impacted on motivations to seek it as an outcome.

6.2.2 Intrinsic motivations

Personal development

Personal development was also very important to this sample. It was often expressed by individuals as how far they could push an existing, often creative, outlet (R23, R27, R28, R30, R5). R23 says of her jewellery making business:

The more I go into it, the more I just got obsessed with it basically, and I was just like wanting to make stuff all the time. (R23, jewellery manufacturer)

For others, they were attracted by the challenge of creating their own business (R24, R1, R18, R20). In R24’s case this is an online property rentals business:

It’s nice to think that you’re actually creating something. [...] When you think about it, you know, there’s only a certain level you can ever go to in a corporate environment. You’re kind of slogging your guts out on a daily basis to get the next promotion [...] I feel like it makes much more sense to have the courage to go and try and create something yourself. (R24, online property rentals)

Personal learning and development was also discussed (R1, R30, R19, R22, R3, R8). R1 created his business so that he could continue to learn and be active in the social media industry while completing his PhD:

I wanted to keep my skills and experience in the industry [social media] fresh you see, so that I could say I have been doing this and that for these customers and all that. (R1, social media marketing company)

The results of this research would suggest that personal development, which describes opportunities for learning, challenge and accomplishing new things (Carter *et al.*, 2003), is the most often reported intrinsic factor. This finding may reflect the high levels of human capital attainment in this sample. Further, the importance of personal

development to this sample might suggest that some HBBs are created by those seeking to pursue behaviour, in this case business creation, which provides an opportunity for personal development. As R19 says *“I wanted to see if I could do it”*.

Control and autonomy

Control was a consistent feature of the explanations that individuals gave for why they chose to start their businesses. Some explicitly stated control as a motivating factor for business creation. For example, R29 says:

Having that control. Design your own destiny. That was the real reason (R29, services reseller)

However, control also manifested in different ways for these business owners. First, it was about working for one's self and as a result being able to profit from your own labour. R14 says:

In London about two years before I left I decided I was tired working for other people and basically working long hours for – it was a good team don't get me wrong – but I was tired of giving them a lot of work which they would then use to forward their own career. And I'll basically end up, you know, working fourteen-hour days and they get to swan around in a suit. (R14, data management)

For others, it was about controlling their work environment situation. R29 says:

Originally back ten years ago I got fed up of the politics. And it was - - I know that I did a good job for my clients because my clients followed me from one place to another. [... I] left and became self-employed ten years ago this year (R29, services reseller)

The autonomy that these HBB individuals perceived that they could achieve through business creation was also part of them seeking to gain greater control; a finding common to micro-businesses also. Many referred to their ability to make their own decisions, or have the autonomy to pursue their own goals. For R13 this meant being able to use part of his business time to do pro-bono work. For R24 a lack of decision-making authority in previous employment encouraged him to seek 'control' by creating

his own business. For R19, amongst others (e.g. R26, R27, R5) it was about being one's "own boss". Finally, experiences of office politics or difficult work environments were also viewed as an antithesis to autonomy, which led R22 amongst others to comment that this was a driver to creating their own business. Thus, as discussed in Chapter 2, when Cohen and Musson (2000) and Feldman and Bolino (2000) propose that getting away from these characteristics of bureaucratic organisations may be a motivator for self-employment, this research would suggest support for this.

Flexibility

Flexibility was also considered important by this sample for a variety of reasons. Primarily this was associated with accommodating life interests or commitments around business. For R21 and others (e.g. R23, R15, R26, R25, R24), both male and female, the vision of running a business was tied to the perception of its flexibility related to family:

And I just kept seeing myself sitting in my living room, you know, with my parents over for lunch, and you know, the kids coming back and you know, just very much being at home, being able to cater to family, but this business was ticking away in the background. (R21, ceramicist)

For R1 and R29 flexibility in their businesses facilitates simultaneous engagement in other activities that are important to them such as a doctorate (R1) and another business (R29). For R7, the perception of a (home-based) business as flexible to accommodate new opportunities was attractive.

One of the reasons that I wanted to work for myself was because I wanted the flexibility and the freedom to take opportunities as they came along. (R7, musician)

According to the literature discussed in Chapter 2, flexibility, often described as work-life balance (WLB), is an important intrinsic motivator (e.g. Jennings and McDougald, 2007; McGowan *et al.*, 2011). Whilst flexibility was reported it was not specifically referred to in terms of WLB. Nevertheless, whilst not described in this way, the motivators discussed would suggest that many of these HBB owners saw business

creation (at home) as one means in which a variety of life activities could be facilitated, especially around time management.

6.3 Motivations for home-based business creation

As previously discussed, during data collection it became evident that the research participants drew a distinction between their attitudes towards business creation in general and those discussed in relation to establishing a home-based business in particular. HBB-specific motivations have previously been classified as either 'business' or 'personal' and these are discussed in turn below.

6.3.1 Business

Several 'business' elements were, according to the participants, specific to this operation model, and which may contribute to the feasibility of creating a business. The business factors included: costs (including business type), business risk and convenience.

Costs

Costs, or rather lower costs, which were perceived to be associated with creating and operating a HBB were the principal factor across the sample being mentioned in 22 of the 30 cases. For R14 it was about reducing costs at the start-up phase of his data management business:

I get the low costs just now; I can minimise my costs. [...] For most embryonic businesses, and I'm still within the first year of starting, that cost [for a virtual office] can be prohibitive. [...] So really, running a home-based office is an economic decision. (R14, data management)

For others such as R16, money was not freely available to support them in the initial stages of their business creation:

I started my business with nothing; I mean absolutely no money at all. I think I spent fifty pounds on business stationery. That was it! I mean I used my home phone. (R16, training consultant)

Thus, the potential to create a business may appear more feasible when based at home as this reduced costs in the initial stages and potentially on an on-going basis.

Related to costs was the business 'type'. According to the owners, the type of business they operate very often does not require an office base and therefore HBB became a possible and obvious fit for the business and a cost saving measure. For example, R18 *"just need[s] a computer, just one computer, which is why we don't need an office"*. Even businesses that traditionally follow a 'brick' model for example, a property rentals business, can be based at home. R24 says *"I can do everything from home that, you know, [Estate Agent] can do in [Town]"*. Additionally, R22 found the home to be a business selling point for her training agency. She says:

There's no real requirement for me to have any premises and I think that's one of the things that people like, that their staff are still on site. (R22, training consultant)

According to literature reviewed in Chapter 2 there are two principal business reasons for the creation of a home-based business: costs and business type. First, start-up costs, and costs to the business in general, are reduced due to two activities occurring in one location (Loscocco and Smith-Hunter, 2004; Newbery and Bosworth, 2010; Mason *et al.*, 2011). This research would certainly support those findings. Second, the type of business is proposed as a contributing factor for why a business could or would be based at home (e.g. Soldressen *et al.*, 1998; Enterprise Nation, 2009; Ekinsmyth, 2011). Again, this research would support previous findings.

Business risk

The risks associated with going in to business were very important to the sample. Risk was about how they would manage their business to minimise initial start-up costs or to reduce on-going business operation costs. In the first instance, minimising business risk was important in the initial start-up phase (e.g. R23, R1, R10). In the case of R17 this was about testing the market and controlling costs.

I thought, you know, I cannot just like jumping and start like working in a commercial kitchen. I should start like really testing and see how people like it. Just using my own kitchen, using my own time. (R17, food manufacture)

Further, several owners also identified that the cost-model of a HBB was necessary in order to be in business in the first instance, otherwise costs would be too great for the business to be (financially) viable. Therefore, risks were minimised by not overstretching the business. R9 says:

It wouldn't work [without being at home] because you wouldn't have any profit if you were going out to work anywhere. It's perfect for being at home. (R9, gift manufacturing)

Choosing to start a HBB also appears to have been about minimising on-going business operation risks to costs. For R6 who plans to grow his IT business outside the home, HBB operation means he can do that in a controlled way and not risk his business. Additionally, R19 explains how he was only able to deliver his services at an appropriate market value (in his opinion) by being home-based:

I think it helps the fact that I run from the house. If I was running from an office, you know, my fees would go up ten-fold to pay for it. [...] The sooner you start to go bigger, your fees start to go up and then you start not getting [jobs]. I mean I still lose jobs on fees. (R19, draughtsman)

Thus, these findings would suggest that creating a HBB is not only a means by which to minimise costs, but the risks associated with costs at both the start-up phase and also on-going issue during business operation. Several owners identified that if their business were not home-based, they would not be able to run their businesses at all. Therefore, it would appear that cost control and business risk management may be inherent in the selection and operation of a HBB, therefore contributing to its feasibility.

Convenience

The convenience afforded by starting the business at home was also important to this sample. For some this was about feeling 'comfortable' in their surroundings and for others if they worked 'off-site' it would have made it more difficult to conduct their business. R17, for example, explains:

And the convenience, I can just get up in the morning. Like yesterday, I got up at four in the morning and start making a new batch. So if I was using a commercial kitchen I would feel even going to somewhere, you know, at night would be too, you know, just too much. And then preparing in the house, I find very it's convenient. It's my own kitchen. You see everything is there for me. I use a dedicated fridge just for the sauce. In the one room, just one section, I can do all my paperwork there. You know, if I'm tired I can go lie down just there. (R17, food manufacture)

Convenience also referred to having the business 'on-site' so that it was possible to work whenever it was required by clients or when the individual had time. Additionally, convenience also related to reducing the need to commute to work, which was essential to several members of the sample (R4, R26, R13 and R12). Further, for some it was because their existing homes could be used or adapted to house the business. This was the case for R30's accessories manufacturing firm and R21's ceramic manufacturing business.

Just because it was easier and at the farmhouse we've got two sitting rooms and one of them wasn't used. (R30, accessories manufacturer)

These findings would suggest that convenience was a significant business-related motivator in terms of reducing travel to work time and the fact that an appropriate space was available in the home in which to conduct their business. This finding likely reflects the high number of service businesses in this sample.

6.3.2 Personal

Choosing to operate a business in the HBB format was linked to several personal factors: the meeting of dual needs; engaging in a hobby business; reducing the personal risks of business creation; and lack of alternatives.

Meeting dual needs: health and life commitments

In some cases, the choice to create a HBB was linked to health or health concerns, as was the case for R28 who had suffered a severe illness in her early twenties. Being at home means R28 can rest when she feels she needs to and also her home can

accommodate carers when they come to do support and care work for her. R3 and R8 also describe health-related reasons for choosing to change their existing work arrangements to pursue HBB creation. In seeking to resolve her health issues, R3 retrained and created her business which offered her a means to meet her health needs while earning money. For R8, back problems led to her leaving her previous job that required heavy lifting (end of life nursing) and pursue her HBB full-time which does not require strenuous physical activity (genealogy researcher).

The other area in this category was life commitments. In particular this refers to a life stage factors. For example, when an individual may become a parent (R21, R15, R23, R26, R28, R4, R9, R25 – note R25 is male) or when nearing retirement (R20, R8, R5). As a mother, R15 is clear that her preferred business option was to be home-based in order to manage her family commitments:

Because of my, I think family arrangements – that's a huge reason. Because I've got two little children – two and a half and three and a half. (R15, reseller of household cleaning products)

In seeking to facilitate meeting dual needs, that is working and being a parent, the HBB model also offered the potential to off-set 'personal' family-related risk. In this sample this was most often related to childcare costs (R23, R9, R15):

I decided I didn't want to have to pay for two children in childcare and all the rest of it. (R23, jewellery manufacture)

The majority of personal HBB creation examples point to the personal desire to manage dual needs – health and life stage – by means of operating a HBB. Only one participant mentioned their WLB throughout the course of the 30 interviews, but despite the lack of direct attribution of a HBB to WLB, the perception that a HBB can facilitate meeting dual needs was evident. As noted in Chapter 2, this would appear to be labelled as a desire to achieve WLB and as such these findings would support those of Walker *et al.* (2008) and Bell and La Valle (2003) for example. It is also worth noting, with the exception of one participant (R25), all of those citing meeting dual needs were women. This supports findings in the literature (e.g. Baines and Gelder, 2003; Berke, 2003; Thompson *et al.*, 2009), although Mason and Reuschke (2015) report no link between female HBB owners and childcare commitments. Nevertheless, whilst in this

research it would indeed appear that women with dependent children chose to create a HBB in order to manage their dual commitments, it is not explicitly framed with reference to work-life balance (WLB). This may perhaps suggest that the mothers of dependent children in this largely female sample have chosen a route which they perceive to give them a suitable option to manage both, namely by creating a HBB.

Hobby businesses

The pursuit of a particular interest, or hobby, was also a driver for selecting a HBB. The business as an extension of a hobby was explicitly recognised in some cases (R7, R8, R23) or linked to realising creative ambitions (R27, R23, R30). As R7 puts it:

I was also becoming more and more interested in the arts and in music and in theatre. And I thought, well, I'm never going to be able to develop that side of my interest if I'm stuck in a nine-to-five job somewhere. If I create my own [home-based] business, which gives me flexibility, it's going to give me the freedom to discover what I really want to do with my life. (R7, musician)

For hobby businesses, the HBB allows them to operate without incurring additional costs that would risk their pursuit of the hobby and put additional strain on their 'business'. Thus, the HBB facilitates an individual to pursue an interest, sometimes as a business 'sideline', and sometimes on a full-time basis. This element of interest-based or 'hobby' business has previously contributed to the perception of HBBs as non-growth orientated, that is 'lifestyle', and of marginal economic value. The findings of this study would suggest there is little evidence that hobby-based HBBs are less valuable than non-hobby ones in terms of business characteristics (i.e. business revenue, age, duration of working hours, industry), notwithstanding the relatively low revenue figures reported across the sample.

Personal risk

Another personal reason for creating a HBB, cited by a couple of respondents, was about controlling for personal risk. This appears related to a form of acceptable loss in case of failure or other change. R19 and R9 discuss how running a HBB means the profile of the business is such that should circumstances change, this would minimise the loss.

My business is all, kind of, nobody will ever know [if it fails]. I don't have a shop and I don't have lots of different things to think of. (R9, small gift manufacturer)

This element of personal HBB creation motivations does somewhat reflect the findings of Daniel *et al.* (2014) in terms of affordable loss which would minimise loss of face in the event of business failure. However, it does not seem that these individuals were concerned with 'saving face' but rather with having a practical approach which meant that if the business discontinued for any reason, it would not have insurmountable financial or personal consequences.

Lack of alternatives

Finally, several of the sample discussed factors that left them with little choice other than to create and operate a HBB. Occasionally this was because there were limited local opportunities to work in what they were skilled at. R4 explains about how her qualifications were unsuitable when she moved to Scotland:

I came from Argentina and with my qualifications as a teacher and I couldn't use them here because they are not valid. In order to be a teacher here I had to study all over again. And I rebelled against that. (R4, translator)

Additionally, in the case of R16 and R21 they saw themselves as 'unemployable', one due to age (R16) and the other due to their work history (R21):

Had a whole variety of jobs and eventually got into training and in my forties had a job which I absolutely hated. So I resigned and the only choice for me was to become self-employed, essentially as a trainer and management consultant. [...] I really didn't have any choice. There was no alternative. Nobody was going to employ me at that age [47]. (R16, training consultant)

For those who experience a lack of alternatives due to few employment opportunities or because of their age and work experience, creating a HBB represented a solution to their personal requirement to generate income. The HBB allowed them to become self-employed, while reducing risk factors, and avoiding perceived problems with gaining employee status.

6.4 Self-efficacy

Self-efficacy, or as Shapero and Sokol (1982) term it, perceived feasibility, is a measure of personal perceptions of human, financial and social capitals which make an 'entrepreneurial event' appear feasible (see Chapter 3, Section 3.3). As such, each form of capital will be outlined in turn.

Human capital

Most often respondents demonstrated a form of human capital related to their business. It should be noted that these covered a wide range of formal educational attainment levels from vocational to doctorate and/or work related experience. Frequently human capital was directly related to what the business did. For example, several had qualifications in the field in which they traded (R2, R3, R4, R6, R7, R8, R10, R12, R13, R18, R21, R22, R25, R26, R27, R30). R18 is a representative example:

I got my degree from [University] in computer engineering. And after that I started - - because in my final year my project was communication which was based on a new technology called V.O.I.P. Voice over Internet Protocol. And after completing my degree I researched more on this thing. And I developed many solutions available in the market. And after I got idea how to do all this stuff and then I designed and implemented the whole system successfully [for my business]. (R18, telecommunications services)

Previous employment experience in their business field was also common and this was occasionally in addition to formal or additional qualifications.

Human capital accumulation, whether through formal qualifications or employment experience, was of importance and relevance to almost every respondent in this well-educated sample. This was particularly related to specialist human capital in terms of the kinds of businesses created, i.e. a trained accountant created an accountancy practice. This was also true of businesses where a discrepancy may exist between levels of formal educational attainment and the human capital requirements of the business. For example, there were cases where an individual held high formal qualifications (e.g. MBA) yet undertook further vocational training related to their

subsequent business (e.g. pilates qualification). Elsewhere work experience generally contributed to self-efficacy, for example, R9 describes how her customer services training from working in luxury hotels transferred to how she packaged the small gifts she manufactured.

Financial capital

Having explicit financial capital to support the establishment of their business was less common than human capital in this sample (n=11). Furthermore, it was seen to take several forms. For only two (R8 and R14), financial capital came from an initial personal investment. In some cases individuals had access to grant funding in the start-up phase of their business (R7 and R21) or took a bank loan (R20). By far the most common form of supporting a fledgling business at start-up and beyond was having a second job (R1, R4, R11, R12, R17, R18, R24, R27, R30). In some cases, this only lasted a short time:

You see when I started the business actually, I should say I did work two days a week as an environmental consultant, and that guaranteed my wages. (R28, spiritual healer)

For some, working and running a business at the same time is an on-going situation. While welcomed by R30 who is a primary school administrator, others such as R24 with a high street franchise, would prefer their HBB to be their only source of work:

Just because I love my job as well. I love my work at the school. You know, I'm kind of like a people person and I like every day on that front desk is a different day. With parents coming in and different things happening in the school. And I don't want to give all that up, you know, to make all these [accessories] and not meet people. (R30, accessories manufacture)

I wanted to find something that could build up slowly so that I could pull back from having to be operationally involved with [Franchise] and build another business alongside it. Ultimately, to try and sell [Franchise] and just do the letting agency. But it's quite good because as I get more properties with [Company Name] then I can pull further and further back from [Franchise]. (R24, online property rentals)

Finally, for half the sample, there was implicit recognition of the importance of having a partner who was in employment and/or other whereby they could provide a financial buffer. As R26 explains:

I was married at that point. I had a husband who produced a salary as well so I think it would have been quite a big jump to take to set up on your own from scratch where you knew you had to meet a monthly mortgage payment. So I probably had a bit of a cushion there that I could work and if it didn't come in as quickly as I'd hoped, it wasn't a disaster. (R26, accountant)

Whilst financial capital in various forms is evident in this sample, over a third of the sample did not describe financial resources as part of their journey towards business creation. In addition, many more of the HBB owners do not describe having extensive reserves or finances or access to other sources of finance beyond their own activities (i.e. savings, second job). This may suggest several things. First, it is likely that financial capital is linked to concerns about costs and risks identified (see Section 6.3). In tandem, SEE theory would suggest that financial capital contributes to perceived feasibility, which 'enhances' intentions. Thus, there may be a link between level and type of capital and the creation of a HBB, whereby the 'features' of the capital act as both a facilitator and a constrainer for business creation activity. Second, it is likely that the amount of financial capital available affects the kinds of business that can be started. Finally, whilst not explicit in many cases, there was evidence of implicit support from the partners of these business owners. It could be that partnership support enables the business in the initial stages and reduces some of the pressure associated with creating a business which otherwise may have had to provide a complete household income. Again, the considerations around financial capital and its contribution to the feasibility of creating a business are indicative of the risk profile of many of these businesses. It appears that significant consideration is given to the likelihood that the business is not likely to constitute risk to any great extent either in terms of financial or personal consequences.

Social capital

Social capital refers to access to networks and contacts for business purposes. In this study, social capital was discussed mostly in terms of having friends or family who already operated businesses. However, explicit references to social capital were also less apparent than human capital (n=7). Where it was evident was mostly in having friends or business 'partners', or as a result of setting up a business in the same industry that they had previously worked in. For example, R19, R30, R9, R20 and R28 were working with others or knew others who were doing the same thing. In R20's case she had a family member who also runs a B&B and who provided a vital source of business start-up information:

I used to go out and help my cousin. She has a lovely bed and breakfast out in [Rural Place], in the middle of Ireland and she's run bed and breakfast for years and she needed someone to do the breakfast for that year. So I did that just to kind of learn how she ran her bed and breakfast. So I got - - I would hate to have done this without having done that, because it gave me so much insight into what I needed. What processes to put in place, which you'd never find out in a book. All about getting deposits, and just the way to treat your clients really. (R20, B&B)

For R13 and R10 it was about having contacts in their business field, as R10 says of his management consultancy:

So I knew that I knew people in the industry and sort of felt confident that I could win some work. (R10, management consultant)

There were a few cases where previous work contacts may have contributed to business creation and initial business activities, e.g. previous employers were first business clients. Otherwise evidence for social capital as a feasibility indicator was limited to the implication of tacit knowledge borne of having personal links to businesses through family and friends and industry contacts.

6.5 The effect of context

In addition to personal and individual motivators towards business creation, context influences business creation intentions (e.g. Shapero and Sokol, 1982; Elfving, 2008). Context is explored in terms of subjective norms (how socially acceptable business creation is) and the precipitating event (a 'tipping point' which 'enacts' business creation intentions – see Figure 3 in Section 3.3). Each of these is considered in turn.

6.5.1 Subjective norms

Subjective norms refers to two complementary areas: 'environmental norms' which describe cultural factors, in this case related to views about business creation, and 'personal-direct norms' which refers to direct contact with individuals that may influence business creation perceptions.

Environmental norms

For several interviewees (R2, R20, R21, R3, R12, R4), it was perceived that starting a (home-based) business was a 'norm' in their industry (e.g. translation, arts and crafts production).

I mean my business is really freelance. Because most agencies, translation companies, will only work like with freelancer translators anyway. So, it's kind of a set, if you want to get into translation you will at some stage have to be freelance. (R2, Translation services)

For others (R6, R14, R15, R17, R18, R24, R29, R28, R3, R23, R30, R12, R19, R22, R20, R25), as discussed in Section 6.2.1 above, status was reported as a motivator and this is afforded by cultural ideas of business and business ownership that identify as having 'prestige':

I mean because it's your own business, you are fully accountable for all the time that you spend. And I think that makes a different to people who just work from home one day or two days a week for somebody else. And that is something I really feel quite strongly about. (R26, accountant)

Personal-direct norms

Many of the participants had other members of their immediate family who either currently run a business or had done so in the past (n=20). R15's family, for example, placed a high value on having one's own business:

You see I always - - even in my family there was always a thing for having my own business. I've always liked the idea to work for myself. (R15, reseller of household cleaning products)

Further, in several cases, close contact with family and friends with business experience or running similar businesses had resulted in direct support for the aspiring or established business owner (e.g. R1, R28, R10, R16). R1 explains:

From my wife's side, many of them have their own businesses. And actually, my mother-in-law she's got a home-based business as well. So we have gotten a lot of advice from her, because she knows the challenges and all that. (R1, online marketing services)

However, it was not always the case that individuals were exposed to subjective norms within their immediate family or industry:

I sort of fell into it. I'd always worked. I'd always worked in paid jobs. And I don't think I would ever have gone into business. My family all work, you know. [...] So yeah, I probably wouldn't have thought I had any of the skills, or whatever needed. (R22, training consultant)

As noted in Chapter 3, previous research has found mixed results for the value of subjective norms in contributing to individuals forming intentions to pursue business creation actions and have often concluded that subjective norms do not have a significant impact on behaviour (e.g. Taylor, 1996; Krueger, 2005). However, in this research, many of the participants had personal role models, for example family members or close friends who were running a business. While almost none directly linked this with the creation of their own businesses, it suggests that running a business was not an unknown and was not likely to be 'frowned upon' by people close to them. In addition, to personal direct link norms there were wider environmental

norms that were discussed. These stemmed predominantly from industry norms such that in particular industries the expected status was to be 'freelance' or 'self-employed'. Therefore, it may not be that individuals sought out to engage in behaviour that resulted in social acceptability from the wider environment, but simply had to adapt to the norms of their preferred industry. These findings offer support for the empirical work of Liñán *et al.* (2013) who found these two factors in their study of Spanish and British students, whereby subjective norms were the underlying antecedent subsequently mediated by attitude and self-efficacy.

6.5.2 Precipitating event

According to the SEE model (Chapter 3), events that precipitate business creation can be either positive or negative, pull or push. Pull events involve business opportunities. Push events equate to negative displacements that include internal displacement, job dissatisfaction, out of place or between things, or voluntary migration. Each of these factors will be discussed in turn.

Pull Events

Several of the participants perceived that they had identified an opportunity that they chose to pursue. In most cases this took the form of an existing product or service that the individual was already involved with, but they then chose to make it a business. For example, several of those in manufacturing developed their product after encouragement and interest from friends and customers (R17, R23, R19):

And then basically I had a kind of a eureka moment when I was giving away all the stuff that I was making and people were like "why don't you sell this?" and I was like "do you think people would buy it?!". And so I did a craft fair and pretty much sold out. And I thought maybe I can do this. So I decided to sort of give it a go, making jewellery. (R23, jewellery manufacture)

It is worth noting that perceiving an opportunity to create a business as R23 did, appears to be associated with having a desire and motivation to then create that business as theorised by Gilad and Levine (1986).

For others, an opportunity presented itself as a result of them scanning the market or someone offered them a chance:

So I just kept like coming up with ideas, Googling things, kind of looking at other people's pages and then I saw the demand for these keepsake bears. (R9, small gift manufacture)

In contrast to 'opportunities' many more negative displacement, or push factors, as categorised by Shapero and Sokol (1982), were discussed by the participants. Indeed every participant, save one, discussed a factor that could be classified as a push factor, although several also mentioned pull factors in tandem.

Push Events

Internal displacement

Internal displacement is 'time dependent' and can refer to age and life stage. Internal displacements for this sample cover three key areas: self-perception of their age, retirement, and family stages – either the arrival or departure of children.

R16, for example, felt his age was the critical factor in contributing to his decision to create a training consultancy business. For R20 and her husband, a situation regarding their home arose which, due to their respective ages (60 and 67) and R20's impending retirement, placed them in financial difficulty. As R20 explains, they had little option but to find a means to generate income in order to resolve their issue:

So that was the real reason I suppose for us doing it because we had to pay the family these thousands [to keep the house]. And it's not easy when you're at our age (laughs). (R20, B&B)

By far in the majority was the issue of life stage particularly in relation to family. In the main, most internal displacement was stimulated by the arrival (and care of) children (R15, R21, R23, R25, R26 and R9), although in R30's case, it was the departure of children from the home that contributed to her business creation.

Job-dissatisfaction

Shapero and Sokol (1982) describe job-dissatisfaction as boredom in a job, underemployment or creative or technical frustration. Frustration or boredom in a job was a recurring theme across the sample (e.g. R19, R24, R5, R16). R5 provides a clear example. As a creative hairdresser, she felt exceptionally strongly about this point, describing how her creativity was frustrated by previous work environments:

Why should anyone gain from somebody else's talent? It's like they – people with financial power – see people with creativity as being weak and I don't like that. So to me it's slightly abusive. [...] I came out of there and four years ago I decided I'm brilliant at doing long hair, I keep getting told I'm brilliant at long hair, and that's why I thought, no, I want to work from home. I do not want anyone having any empowerment on me or over me. I'm out of there and I'm so glad I am. (R5, hairdresser)

Other job-related factors included those concerning office politics/conflicts, redundancy, not being promoted or demoted or no opportunity to get a job in the industry. Changes to the workplace were mentioned by several participants:

Basically what happened was there was a change of management a couple of years ago and it became a lot more cutthroat business focused. And [...] I was involved with the data group; in fact I was in charge of the data group. But basically they then started to understand that the data was one of the core assets of the company. So all of a sudden, you know, I had been working fourteen-hour days, six days a week to build a data team, to get it right, doing the right thing and then come along a few managers and think they want my territory and push me out. (R14, data management services)

The lack of opportunity with an employment situation was also a motivator. For R2 a promotion was unlikely to arise. Additionally, redundancy or the threat of redundancy was a factor for R6, R10, R11 and R22.

The kind of driver for setting up the business was that the company that I used to work for, the consultancy I used to work for they were struggling a little bit,

so hours were cut to three days a week instead of five and there was a threat of redundancy. (R10, management consultant)

Out of place or between things

This describes when one job may end and there is a 'gap' until another may start or when one is fresh out of education or another institution (Shapero and Sokol (1982) refer to prison as an example).

Amongst this sample there were those who had left university with nothing to go to, found themselves in a new place, had retired or were unemployed and 'between jobs' (R27, R28, R2, R4, R7, R12, R19, R20, R8) . As an example, R27 explains what it was like for her when she left university, explaining that to work in her field she had to create a way to do that:

I suppose after leaving Uni I kind of naively thought there would be a job in arts and design, but there just weren't jobs out there for me with my education. So that kind of meant I had to - - if I wanted to continue within the field that I am [fine art], then I'd have to be a lot more self-sufficient so to speak. (R27, printmaker)

Voluntary migrants

This refers to individuals who voluntarily migrate to a new country as per Shapero and Sokol (1982). This was the case for six of the sample: R4, R17, R1, R18, R15 and R12. In R15's case, she found getting work difficult and so has decided to create her own business:

And because I'm a foreign person in UK, I found that companies in UK don't treat me equally. I just thought that I might have been better than being a personal clerk. For instance, I couldn't find work in Human Resources Management because I didn't have any experience in that field, only a degree, and I found that companies they didn't look at me as a potential person who would be best for them. (R15, Polish, reseller of household cleaning products)

As noted in Chapter 3, the precipitating event is akin to 'push' or 'pull' factors as per Gilad and Levine (1986), or as described by Vorley and Rodgers (2012), critical incidents which result in a 'tipping point' which stimulates an entrepreneurial event. This research found that precipitating events were in clear evidence in this sample with both push (i.e. displacement events) or pull (i.e. opportunity) described. On the whole, push factors were discussed by almost every participant in the research, the exception being R13. The high incidence of push factors reported by this sample echoes Australian findings in research conducted by Walker (2001). Additionally, there was evidence of all of the push factors identified by Shapero and Sokol (1982): internal displacement, job-dissatisfaction and job-related, out of place and voluntary migrants. It should be noted that this research has been conducted after a sustained period of economic contraction. There were several participants who described redundancy or threat of redundancy as their precipitating event, though it is also worth noting that these only accounted for five of the sample. So while it may have been an important contextual factor for these participants, it is not a main driver of HBB creation in this sample.

Pull events were also discussed with just over a third of participants citing pull-related precipitating events. What this indicates is that push and pull precipitating events do not exist in isolation from each other and business formation may occur as a result of both. The push/pull crossover has been a finding in several other papers (e.g. Hughes, 2003; Dawson and Henley, 2012). As research using SEE Theory has been somewhat limited it is difficult to say whether the significance of the precipitating event antecedent is associated with the creation of HBBs in particular or would be found across small business generally; this presents an area for future research. What it does indicate is that SEE Theory has a valuable contribution to make in understanding the formation of (HB) businesses.

6.6 Implications for Theory: Shapero's Entrepreneurial Event

Three antecedents of SEE – perceived desirability, perceived feasibility and precipitating event – are clearly in evidence in this study, and the cognitive process proposed is also found to some extent (refer to Figure 3, Section 3.3). Thus, SEE theory appears to be a robust and appropriate model for understanding business creation

intentions and behaviour in this sample of Scottish HBB owners. However, some of the narratives of these individuals indicate that the link between their precipitating event, its causal relationship to other antecedents, and subsequent business creation did not 'fit' the existing SEE model. For example, R9 describes how the arrival of her second child prompted her business creation decision:

He's eleven months. And my daughter's four. So yeah, I decided I was having a business before I knew what I was gonna have a business about. I was having a business. That was me. I was like, I was gonna work from home. (R9, small gifts manufacturer)

In R22's case, her redundancy was the impetus for her to start reviewing the credibility of her (work) options:

Well I was made redundant in 2008 from a training job I had. [...] And I couldn't find any work. And then in June, one of the previous customers had asked about training because they'd just couldn't find anyone [...] And, well I didn't know anyone else, and then they sort of asked, well would you be able to do it, and I thought, I don't know. And so it sort of came from there. And then someone said, well you know, are you able to? And I said well of course I'm able to, I have the qualifications and skills and experience. (R22, training consultant)

Consequently, consideration of the precipitating event as proposed by Shapero and Sokol (1982) in relation to the findings presented in Sections 6.2, 6.3, 6.4 and 6.5, suggests that an alteration to SEE may be possible and required in some instances. In the original SEE model, the cognitive process of perceived desirability and feasibility occur in advance of the 'tipping point' precipitating event. In contrast to the current conceptual outline of the cognitive process in the existing SEE theory, in some of the narratives of these individuals, a precipitating event may interject at several alternative points along the cognitive process. Thus, for example, a precipitating event may occur within a context of subjective norms and perceived feasibility but precedes consideration of perceived desirability (e.g. R9). In addition, the proposed process credibility → potential → intention is also altered as the individual who experiences an 'early' precipitating event in the process does not move into a holding state of 'potential' awaiting a precipitating event. Rather, they assess the credibility of their

options and form intentions to engage in (business creation) behaviour likely as a result of the 'early' precipitating event. Additionally, the relationship of propensity to act, a proxy for locus of control, within the model is also changed. It is likely that this cognitive element becomes 'energised' earlier in the process in tandem with the effects of the precipitating event whereby the individual attempts to 'take control' of their situation. Therefore, an adapted SEE theory is proposed (see Figure 8) which alters SEE to reflect the narratives of some this sample. Thus, the cognitive processes which underpin intentions to create a business are reviewed in light of the importance of precipitating event in some instances.

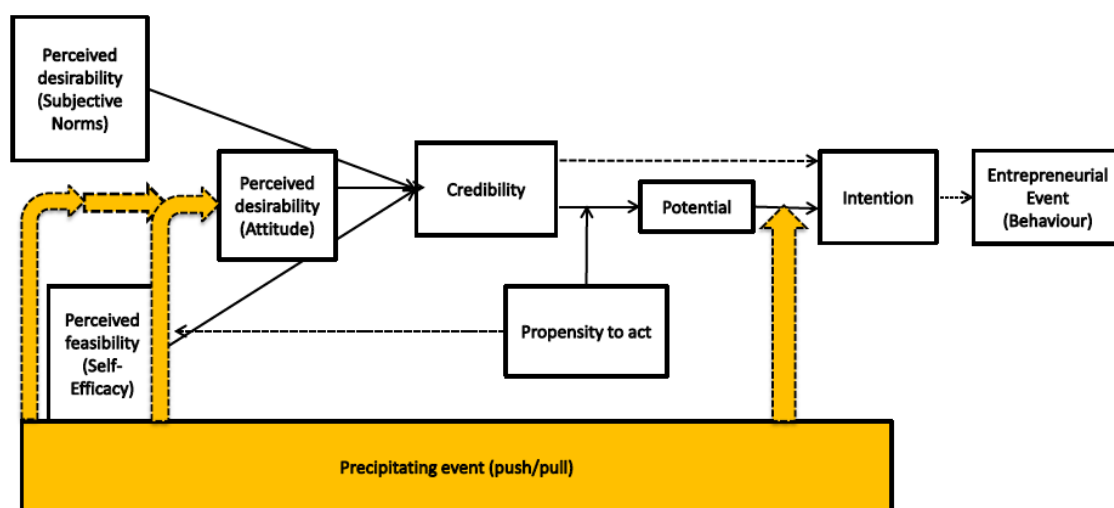


Figure 8. Adapted Entrepreneurial Event Theory

This study finds that the conceptual antecedents proposed by Shapero and Sokol (1982) remain valid abstractions of cognitive processes undergone by this sample of HBB owners. However, the placement of the antecedents has required an alteration to reflect the importance of the precipitating event to the cognitive process undergone in some cases of (HB)business creation intention formation and subsequent action. This suggests that business creation driven predominantly by agency requires reassessment given the importance of structural precipitating events within and against which an agent interacts.

6.7 Analysis and Conclusions

The findings presented in this chapter indicate that there are motivations, or attitudes, that underpin business creation behaviour in the HBB context. Therefore, support for one component of the perceived desirability antecedent of SEE theory is found. Through analysis of the data it became evident that two distinct sets of motivations exist for the creation of a HBB: motivations that underlie business creation in general and motivations for the creation of a home-based business in particular. This is contrary to the findings reported by Thompson *et al.* (2009) which concluded that motivations were the same irrespective of subsequent site of business activity. When considered in general, the business creation motivation findings from this sample are similar to those reported across the small firms literature in terms of the extrinsic and intrinsic factors which are reported as motivators (Carter *et al.*, 2003). Next, in terms of the general business creation motivations several themes emerge: financial, status, personal development and independence. In contrast to previous findings investigating small firms literature where independence factors are reported as the major motivator (e.g. Hessels *et al.*, 2008), this study found rewards-based extrinsic factors to be the more predominant motivation. This might suggest a motivational finding particular to the HBB context. Even so, independence factors were discussed and did have an important role as motivators for business creation. Furthermore, what emerges from the analysis is a complex picture of both extrinsic (e.g. recognition) and intrinsic (e.g. personal development) motivations. This raises an interesting ambiguity; that HBB owners create their business in part motivated by extrinsic recognition desires and yet their businesses are operated in the home and as such are very likely to be invisible to many. So a strong desire for status and recognition of their business efforts by others is reported, yet other more pressing considerations may limit those desires resulting in HBB creation rather than an alternative with more visibility. This suggests that consideration of motivations in a more nuanced way rather than assuming the dominance of either/or extrinsic or intrinsic motivators is required.

In terms of HBB specific motivations, previous research has found the business case for HBB to be the primary motivator for engaging in business creation and this research would support those assertions (Enterprise Nation, 2009; Mason *et al.*, 2011). Nevertheless, there were also several owners who mentioned additional personal

reasons for selecting to create their business as a HBB. It is worth noting that these personal motivations were considered *additional* to business factors, indicating that it is the business model features of HBB already discussed that are of principal concern. Nevertheless, while there are several pragmatic business-based motivators which contribute to the feasibility of a HBB, it is not a straightforward business-only decision and as such, the personal motivators which underpin the creation of a HBB have value for understanding subsequent business and personal outcomes.

In addition to attitudinal motivations (perceived desirability), empirical evidence also indicated that the perceived feasibility antecedent (i.e. human, financial and social capitals) was in evidence in this sample. The findings of this study suggest that perceived feasibility was informed by an individual's human capital attainment and its 'fit' with their business idea. Second, financial capital came mostly in the form of having a second job to support the business in the initial stages, or to continue to supplement the business. Third, while support for social capital factors was limited, where it was discussed it was important in terms of offering of first business contracts and offering a comparison such that if others they know can run a (HB)B it seemed more feasible to the individual concerned.

Finally, intentions to create a business are formed in a context of subjective norms and precipitating events (Shapero and Sokol, 1982). Evidence to support these antecedents was also found, with several key findings emerging. Subjective norms appear to support the social credibility of business creation for this sample. This was based on many of the participants having family members or friends who run or ran businesses. There was evidence in every case, save one, of a precipitating event. Both push and pull factors were reported. However, push factors were by far the more common driver towards HBB creation. Nevertheless, in almost a third of cases, both push and pull factors were present which suggests that understanding business creation in terms of a binary conception of push *or* pull factors is worthy of review. Furthermore, the importance of a precipitating event and its relationship to the other SEE antecedents has indicated that an adjustment to SEE theory to reflect this is required (see Figure 8).

Chapter Seven: The outcomes of engaging in home-based business

7.1 Introduction and overview

This research sought to explore the outcomes of HBB ownership for individuals and their businesses (objective 3). As such, the findings presented here seek to answer RQ3: what are the business and personal outcomes of engaging in home-based business? In the process of this endeavour, it became evident that what are considered outcomes for the individual and outcomes for the business were often indistinguishable. It can be the case in one-person or micro-businesses, that the person *is* the business. With this in mind, this chapter continues as follows. First, personal outcomes are reported and analysed. Thereafter, business outcomes are considered. The home-business boundary and isolation, which have both personal and business effects, are discussed. Finally, the theorised relationship between motivations and outcomes is considered for this sample in light of these findings.

7.2 Personal outcomes

As discussed in Chapter 6, most of the HBBs in this sample (n=28) can be classified as one-person businesses. As such it can be challenging to separate the business from the individual as noted by several of the respondents (e.g. R3, R24, R21). As R24 explains:

And I guess I'm always mixing business and life thoughts and kind of in one because it's all kind of the same sort of thing. That's an element of working from home is that it all becomes this one big, sort of hazy sort of life or business; you can't really separate it. It just becomes this big sort of mess of day-to-day, what am I gonna do now? Do I do normal life things or do I do business things? (R24, online property rental)

Thus, when considering outcomes it is challenging to stipulate whether these are purely personal or purely business. Nevertheless, the respondents discuss some extrinsic and intrinsic outcomes from operating a HBB that can be considered personal in nature.

7.2.1 Extrinsic

The first personal extrinsic factor is self-esteem related to recognition for their business activities. R20, for example, explains how prior to creating her business she felt that she had lost her community status *I had a job that was respected, you know, and I was respected* and now she has regained status through having her business. R22 is further example, she says:

I think it's more looking at other people's reactions. [...and responding] Well, you know, I've got a training company with credibility that I've had for a long time. (R22, training consultant)

Status and recognition outcomes were mentioned by 13 respondents, including most (n=5) of those who had growth ambitions for their HBB. It appears that HBB gave a sense of identity to both themselves and how they were presented to others. It is also interesting to note that in several cases, where financial outcomes were not evident (to individuals' satisfaction at least), recognition for their activities was reported as a positive feature. This may indicate that recognition and subsequent value for their role can compensate at least to some degree lack of financial reward. This may be especially pertinent for this sample as they generally report low business income levels.

The second significant extrinsic factor was related to financial outcomes which included two distinct, and for some respondents, concurrent themes: income generation and pursuit of profit. Making money by engaging in HBB had somewhat of a dual character that met the needs of the business (sustainability) and also those of the individual (an – acceptable or supplementary – income). For some of the respondents the clear objective of HBB activities was for the business to make income for them. For R11, among others (e.g. R12, R13, R17, R2), this was a primary outcome of HBB activity:

The plus points from the business point of view are obviously the extra income.
(R11, reseller of health and well-being products)

In R19's case he acknowledged the need for the business to generate an income, but was pragmatic about how he achieved that at a personally desirable level:

You always have to spend a lot of hours to make a lot of money. But obviously you'd like - - everybody wants to make more money, but you've got to be realistic as well. And it seems to work. (R19, draughtsman)

Thus, whilst individuals had differing perceptions about levels of income that were satisfactory, the majority of those who reported financial outcomes were content. Further, creating their HBB had allowed them to 'make a job' which provided an opportunity to generate (supplementary) income.

The pursuit of profit was also discussed, on occasion implicitly, with some of the HBB owners in this sample. For example R29, R18, R24, R1 and R15, describe the profits that can be made from their business. R29 explains:

When you're an employee you can work really, really hard but at the end of the year [at] your annual appraisal you might get a two percent pay rise. I get more than that per month. (R29, services reseller)

Of those who pursued and gained profits from their business, it was found to be the case that they were 'conventional' in terms of their business orientation (refer forward to Chapter 8). This study finds that in several cases, a relationship exists between initial business motivations where individuals pursue profit and the financial outcomes achieved.

In contrast, there were cases where respondents did not seek to achieve profits over and above an income. For example, there were several cases where the pursuit of profit had never been a clear priority in the first instance of business creation. Several individuals acknowledged that pursuit of profits was not their priority (R5, R8, R30, R3). For example, R5 was more concerned with other outcomes:

My business is not about making stacks of money and dumping somebody; it's about bringing on young talent and making them feel their worth. (R5, hairdresser)

Thus, as per previous research examining the outcomes of engaging in HBB activity (e.g. Walker and Brown, 2004), there were respondents in this study where financial

criteria were not prioritised over other outcomes, for example intrinsic factors (next section).

To summarise extrinsic factors, financial outcomes were those most often discussed, although there was not a uniform understanding for an 'acceptable' financial outcome. On one hand these findings suggest that financial desire/need as an initial motivation factor was met by engaging in HBB, mostly in terms of a 'make my job' outcome. This would suggest that, while not reported in every case, across the sample, HBB has the potential to meet the financial requirements of their owners. Nevertheless, on the other hand, in this sample a discrepancy exists between some of those that stated initial (income focused) financial motivations and those actually stating that they had met those initial ambitions beyond (supplementary) income. This seems to suggest that owning a HBB does not always meet financial desires.

In addition, in relation to the HBB in particular, it is widely thought that HBBs are lifestyle orientated and certainly there were participants who described that they were 'not in it for the money'. However, the focus on other measures of success is not unique to HBBs. Alstete (2008) found the same in his American business owners study, as did Buttner and Moore (1997). Nevertheless, what this research would suggest is that finances are important to HBB owner and that their businesses do provide that financial return for them on the basis of their *individual* definition of meeting their needs/desires. This element of the findings would fit with Australian research conducted by Walker *et al.* (1999) examining micro-business. Further, the findings echo calls from researchers to re-examine the established terms for identifying success in businesses, particularly its relationship to growth indicators such as employment figures, turnover and profits (Rogoff *et al.*, 2004; Levie and Lichtenstein, 2010; Simpson *et al.*, 2012).

7.2.2 Intrinsic

Control was mentioned as an outcome by almost two-thirds of the sample (n=19), making this personal factor the most often cited outcome of operating a (home-based) business. The most common expression of control was described in terms of being one's "own boss" (R12, translation services). Additionally, there were other factors

that emerged as areas where the participants described having control. Of particular importance was control of time:

The ability to please yourself, you're not working for someone else. You can choose the hours. (R26, accountant)

Control of the work environment also emerged as a benefit. For example, several participants referred to 'office politics' and how they were now able to avoid that by running their own (home-based) business. This may fit with Cohen and Musson's (2000) findings which suggest that self-employment is a means of escape from being an employee within a bureaucratic organisation. Several respondents viewed not being in that kind of environment as a positive outcome.

Control over work activities, environment and 'life' emerged as the most important personal and intrinsic outcome for the sample. Many of those who sought control and perceived that this was achievable through business creation (as reported in Chapter 5), were able to identify that they had achieved that outcome. Interestingly, many more perceived that they had control as an outcome than had considered it a motivator. This might suggest that control is an unforeseen benefit of engaging in HBB activities. Further this might be an indicator that studies that report independence as the primary *motivation* (where independence is a proxy for control/autonomy) (e.g. Hessels *et al.*, 2008; Dawson and Henley, 2012) are actually reporting on subsequent outcomes.

Reported as a motivation in Chapter 6, autonomy was also an outcome that was reported and valued by this sample. Nevertheless, the perceived (and achieved) autonomy of owning and operating a HBB was not the case for everyone. R4 was keen to stress that she viewed the freedom of HBB as an "illusion":

The freedom I think is an illusion. Everyone talks about the freedom that if you working from home. It is an illusion because you are tied to your phone wherever you go. If there is a job coming and you have to get it. And you can be, you know, anywhere and you are depending on that email or that telephone call. (R4, translation services)

Flexibility, which is similar and linked to autonomy, was also a key outcome with almost two thirds (n=18) of the sample reporting that flexibility was achieved and labelling it as such. For example:

The benefits for me, I mean it kind of brings its own flexibility, doesn't it? Means I can do things, fit your life around work. And once you've been your own boss you can kind of make up your own start and finishing times. So it's quite good 'cos it means I can take the kids to school, pick them up, you know, from after school club or from school. (R10, management consultant)

In addition, many of the sample described situations which would not have been possible were it not for the flexibility which their HBB provided to meet other desires or needs. For example, there were a variety of positive effects of flexibility for family, from spending more time with a partner, being there for children, to getting a family pet. These factors were seen by the participants as positive outcomes of their choice to start a HBB. According to Greenhaus and Powell (2006) and Hlady-Rispal and Jouison-Laffitte (2014), (perceived) flexibility is a common outcome for those engaged in HBB activity. In this study, the desire for flexibility that had motivated individuals to engage in HBB, was also quite often achieved; only one person did not achieve the flexibility they thought they would gain. In addition, several more gained flexibility that they did not discuss as a motivation. Despite evidence of long working hours (which Ammons and Markham (2004) found reduced the flexibility initially sought), this sample did not seem to have a negative perception of work hours on flexibility with the exception of R4. Of those describing flexibility as an outcome, there were more who worked long hours (i.e. 30 hours or more per week on their business) than there were working part-time hours, which might suggest that long hours may be mitigated by flexibility. For those spending less than 30 hours per week running their HBB, the lack of perceived flexibility in their activities may be related to holding a second job for instance. This may further support the suggestion that operating a HBB provides valuable flexibility for the owners in comparison to other forms of paid work.

Linked to flexibility, in terms of WLB, this research would suggest that individuals in this sample did find that by operating a HBB they were able to make time for family, or

that it resulted in other family-linked positives, and this was seen as a beneficial outcome.

Again, cited as a personal motivator, personal development was also an intrinsic outcome of HBB creation. Most often this was discussed in terms of creativity or solving problems and facing up to a (business) challenge. R29 expresses how important the creative process of business has been:

And I never classed myself as creative and I wouldn't still say that I'm that creative, but I'm more creative than I ever was before. I think when you're institutionalised, you are institutionalised (laughs). And you're told to do this and you're told to do that, and I was a good employee. But when you come out of that environment you have to start thinking for yourself, you start to become a lot more creative. So there's a side of me that has developed as a direct result.
(R29, reseller of services)

The creativity inherent in some business offerings was also seen as evidence of the personal development outcome:

I absolutely love creating things. Like my mind is always going on something else. I'll make it and then once I've made it, it's out of my system. That's the side of it; I love creating. And recycling as well is a big thing with me. (R30, accessories manufacturer)

Findings here thus corroborate research that finds that professional (personal) growth and development were seen as 'success' measures in small business (Naffziger *et al.*, 1994; Simpson *et al.*, 2012). A factor which may be of particular importance to this high human capital attainment sample.

Finally, many of the participants got a lot of satisfaction from running their businesses. In some cases this was about the product or service they provided (R17, R23, R30, R3, R8 and R7) and for others it was about satisfaction from developing their business (R15, R1, R12, R19) as R1 says:

I get satisfaction from seeing it, the business being just myself and now being a small [sub-contracted] team. So that's good as well, some sort of accomplishment from doing it. (R1, online marketing services)

As discussed in Chapter 2, prior research has indicated that the self-employed do experience increased satisfaction in their work in comparison to employees (Andersson, 2008; Benz and Frey, 2008; McGowan *et al.*, 2011). This research would appear to support a measure of satisfaction as part of being a HBB owner too.

7.3 Business outcomes

Outcomes that could be characterised as business-related did emerge from the data and were linked to the initial and continued viability of the business, in particular the cost model of operating from home and also the potential to minimise on-going risk by operating a business in this way.

Cited as a feasibility-based antecedent to HBB creation, operating a HBB had allowed individuals to keep their costs low and that made them competitively priced and this had contributed to business sustainability (R9, R19, R14, R6, R1, R17, R13, R16, R18, R2, R23, R24, R29, R7). R19 describes how it would damage his business if he were not able to keep costs low as a result of operating a HBB:

I think it helps the fact that I run from the house. If I was running from an office, you know, my fees would go up ten-fold to pay for it [...] The sooner you start to go bigger, your fees start to go up and then you start not getting [work]. (R19, draughtsman)

Creating and starting a HBB was found by this sample to minimise their risk factors and they were clear that this had been a positive outcome of their business location decision. Previous literature (refer to Chapter 2) has reported on several factors which may compromise HBB viability and sustainability such as lower income levels, the predominance of highly contestable service businesses (Edwards and Field-Hendrey, 1996; Jurik, 1998), and low levels of capital (Phillips, 2002). Generally, these factors apply to this sample of HBBs. These HBB owners mitigated these by basing their business *at home*; the HBB was integral to how they 'do' business such that these

potential economic weaknesses were either not perceived or were perceived to be absorbed.

7.5 Home-business boundary

Every respondent, albeit to varying degrees, discussed issues around managing various home-business boundaries, which included both personal and business aspects. Predominantly these were focused around the management of space, time and 'social' factors that were related to customer and family perceptions of the business. Often the permeability of these boundaries had negative business and personal consequences. However, there was a fine line between negative and yet complementary positive aspects of managing this home-business boundary. Spatial factors will be considered first, followed by temporal and social boundary factors.

7.5.1 Spatial

Space from which to run a HBB was an important consideration for this sample as for some of the respondents the availability of space acted as a facilitator for considering operating a HBB (e.g. R14, R30, R8, R3, R5, R6, R20). As R14 explains:

I have the fortunate position of having a spare room which I converted into an office. I also appreciate that most people will not necessarily have that and will be working of a desk in the corner of their lounge. (R14, data management services)

Whereas for others separate workspace was not readily available and this meant compromises had to be made for where they 'based' their business within the home. For example, several respondents work from a desk (or the kitchen table) in a communal space (R1, R2, R7, R9, R10, R12, R13, R15, R17, R18, R20, R22, R23, R28). R10 explains about his workspace:

I've got an office in the kitchen. Just the house that we've got there isn't a study or a spare bedroom or anything. So we've created a bit of space in the kitchen to get a desk, because previously I was just working at the kitchen table or in the bedroom. (R10, management consultant)

Irrespective of the kind of space available, the 'usefulness' of the space was still a consideration for several business owners (R3, R17, R10, R26, R23, R7, R6, R24, R27, R13). This included issues with interruption arising from working in a communal space, to limitations on the businesses ability to operate due to spatial restrictions. For example, R10 finds that his 'business space' is continually compromised by other family members and this can create difficulties for him:

The downside is, you know, as it's kind of open plan sometimes when the kids not at school and me wife doesn't work on a Monday and a Friday, it can kinda get a little bit busy. Sometimes I'm on the phone to clients and me daughter's asking for biscuits. And the dog is barking in the background. The usual madness. So, the lack of having, you know, a room with a door. (R10, management consultant)

R17, who is engaged in food manufacture, describes how the space available to her in her home affects how productive she can be in her business as she struggles to produce volume of her product:

If I had maybe I had a bigger kitchen I would be able to make batch quicker than I'm doing now and I'd be able to fit a really big pot. One batch I can just do, you know, huge batch because now I have big pot. With a big pot it's just for domestic use, so I have to use only two pot: big and small on the other side. So just maybe the facilities. And the storage as well. Storing all the equipment I use. So sometime it just overtake everything. It becomes like, well (()) I got a cupboard just for the business. Still not big enough because the pot are too big. So just fitting like there one pot and the other in the kitchen. (R17, food manufacture)

This is not only the case for those engaged in manufacturing or production activities. Spatial considerations also limit those delivering services such as restriction the potential for growth in the number of employees, such as is the case for R24.

In contrast, however, R26 has made an active decision to limit her accountancy business so that the existing spatial boundary she has created is not compromised:

The next stage would be to take on a young trainee. Partly I'm put off doing that because it is home-based and I don't want someone in my home. (R26, accountant)

In addition to considerations of where to base the business within the home, and the effects this may have on business, there are also effects on the individual. Several respondents describe the challenges of maintaining a satisfactory spatial boundary between 'life' and 'work'. For some (R3, R17, R1, R2, R7, R13, R14, R20, R22, R28) business was found to "encroach" within their home, with R3 explaining how *little bits of stock that I do have, have slowly started taking over the house.*

In contrast to those who view their home-base as a limitation to business, there were those in the sample who found the home-base to be a benefit (R30, R8, R7, R26, R1, R5, R9, R20, R21, R27). For some this was about being 'on-site' so that business could be dealt with whenever it was required by clients. In R30's case, having a home-base enables her to sell directly to clients, occasionally at short notice and thus facilitate extra direct sales without losing money to reseller fees:

I mean you're always on the premises if anybody just happens to pop in for a bag or for anything. Because I have had that as well, just the off chance, 'cos they know where I am. A lot of clients have come time and time again. (R30, accessories manufacture)

The spatial boundary has been well discussed and explored in literature especially with a focus on personal management (e.g. Berke, 2003). This research would report that from this sample, eight described situations in which they struggled on occasion to deliver their business due to spatial concerns. This could be due to spatial limitations with regards to employees or due to the space constraints (for example storage). These factors often arose when these businesses were seeking to grow (employees or diversifying products/services) and thus, it may be possible to suggest that the growth potential of a HBB may be limited by the spatial potential of the home in which it is based. The limits that the home places on *business* considerations in particular has been the subject of limited investigation in academic literature.

7.5.2 Temporal

Discussion of temporal boundary factors related to HBB was the most significant factor for this sample. The temporal boundary was discussed in relation to the amount of time the HBB owners could dedicate to their businesses, the positives and negatives of time management and the importance of 'scheduling' which was discussed by 24 of the sample as a key personal boundary factor. In general, the flexibility of 'scheduling', or time management, facilitated by working at home, was its most positive feature according to this sample. This included being able to make time for non-work related activities such as family commitments or to enable working two jobs (e.g. R30, R11). Ceramicist R21 explains:

And just the whole thing. You get a chance to run your house. You know, it's not like you go to work and at 9 o'clock that's all in that space; that's all there is, is work. When you work from home everything merges. I mean I can do all the work, but know I'm also watching a bit of tele, I'm also doing Facebook, I'm doing the washing. Do you know what I mean? It just all merges and everything that needs to be done around the house whether it is just the organisation of it, the feeding of people, or getting orders out and getting designs done; it all gets done. And it just all merges and there isn't a kind of I must stop work now and go home and try and catch up on everything that didn't get done during the day. So that's what I appreciate about it. (R21, ceramicist)

In addition to the welcome flexibility of time management, others also felt that working this way saved time. In particular the lack of commuting was noted.

Nevertheless, for some of the same respondents, the flexibility of the model was also described in negative terms (n=15). Flexible work hours, and therefore not having set work hours, could result in irregular work hours that R2 found "destabilising". For R5 she put her business before everything else such that:

If I'm sitting on my laptop at half past three in the morning as long as everyone is happy with what I'm providing, that's customer care. (R5, hairdresser)

Furthermore, many of the respondents found it hard to divide their time between home and business related activities, as R23 explains about her attempts to manage both:

I find it a nightmare!! (laughs) It's so difficult to go into the workroom and work and not think I'll just put the laundry on, I'll just do the dishes. I mean today, I haven't done any work all day, I've been doing other stuff; stuff that needed to be done [...] we're trying to build a house – so I've been dealing with planners and things like that. So, there's a huge amount of distraction, which I have to try and manage, which is difficult and I'm not very disciplined. So I find that very difficult. So in a sense, having somewhere to go to would be ideal for the sort of time management, but the reality is, the times that I get to spend working are often in the evenings, so I just have to deal with the fact that I might have to put the dishes on or something like that. (R23, jewellery manufacture)

Time spent on the business was often dictated by 'external' requirements, which in this sample was most often a result of family interruptions. This could include supporting the activities of a partner (R20, R30, R23) or related to childcare (R15, R9, R28, R21, R26, R25), as R28 explains:

My husband and I get very little time together and we don't have childcare for [Child] because I work weekends. You know that's where I earn my money: at the weekends. And no childminder works weekends, no nurseries work weekends. So I've ended up having to work evenings and do the sort of admin stuff, advertising type stuff on weeknights and that means I can't - - I used to give talks at [prestigious] health spa which I can't do that now because [of family life]. (R28, spiritual healer)

Overall, time spent on the business was the most common negative business outcome of engaging in HBB. Several authors have previously identified that the less time spent on the business, the less that is achieved in terms of HBB results (i.e. income generated) (e.g. Loscocco and Smith-Hunter, 2004; Thompson *et al.*, 2009; Mason *et al.*, 2011; Ekinsmyth, 2011). It is worth noting, that issues around time spent on the business was largely a gendered phenomenon, whereby, with the exception of male R25, the remaining 12 who discussed this factor were female. This may be the case

due to a largely female sample however. Nevertheless, the issue of time spent on the business was strongly linked to those attempting to meet dual needs and to owners not actively seeking 'conventional' business growth. This may occur because the owner recognises that either business or non-business has to be restricted to make time for both, and in this sample it appears that it is business activities that get restricted.

Many of the sample considered that a positive personal outcome of operating a HBB was their ability to be in control of their time such that they could allocate work when they wanted to and as a bonus reduce unnecessary time commitments such as commuting (n=24). However, in contrast to this, sometimes individuals felt out of control of their time and at the mercy of client demands (as found also by Bryant, 2000), or that by not having regular work hours, they were destabilised, or yet further, that they just felt that they could not manage competing demands on their time in an effective way (n=15). Time management issues are found elsewhere to be a problem for those in self-employed circumstances (Feldman and Bolino, 2000) as well as in those operating HBBs (Ammons and Markham, 2004). In addition, the mixed responses in terms of the positives and negatives of (perceived) time management are an indicator of the complexity of managing both work and life commitments which may be exacerbated in the HBB context, potentially as a result of issues with spatial management in particular as found by Mustafa and Gold (2013).

The effects on business varied and there is some suggestion that there is a link between the extent of competing roles and business-orientation, especially related to growth, though the direction of causality is not clear. The business orientations of this sample are considered in the following Chapter 8.

7.5.3 Social perceptions: credibility/visibility

A HBB bridges two worlds, that of 'business' and 'home' (Felstead and Jewson, 2000). Due to this, perceptions about the activities which are conducted in either of these domains can be affected. Thus, a business activity conducted in the home may take on some home-like identity that is not necessarily associated with 'professionalism', 'work', and so forth. In several cases (R16, R14, R3, R21, R10, R25) credibility was discussed as an area of concern and was found have direct business consequences. In

the case of R16's training business, its home-based status undermined business dealings such that he lost out on business:

There were times when I worked, I suppose co-operatively with other people but we were never taken seriously because we didn't have an office. I know that happened. I know I missed out on a couple of contracts. One of them we were significantly lower in cost, but we didn't get it because we didn't have premises; we didn't have an office and a training room and things like that. So I know that that happened. (R16, training consultant)

In previous research (see Chapter 2), Walker (2003) found HBB credibility to be a particular issue in her Australian 'mapping' study and Dwelly *et al.* (2005) suggests that this may be as a result of HBBs not being taken seriously by business support agencies and in general (e.g. Cohen and Musson, 2000; Newbery and Bosworth, 2010). These findings would in part support the reality of concerns around the credibility of operating a HBB with the loss of business a possible consequence. However, it was also found that initial concerns around credibility were unfounded and in some cases, a home-base was seen to be beneficial to the HBB owners in selling their business activity. This is exemplified by R21:

Initially I was quite anxious about it because I was worried about people coming to visit. You know, if people say, can we come and see your studio, or can we come and talk to you about something, I was very anxious about them coming and seeing that I work from home because I did feel that that somehow I would look amateurish. And I felt that quite keenly for a wee while and then it just all shook off because loads of people would come, and you realised that it didn't make a blind bit of difference to them. (R21, ceramicist)

In other cases, it was the visibility of the business that had business consequences. For example, R3 runs her health and wellbeing business from her rural home and the lack of high street visibility for her type of business reduces how she can promote it to attract business:

I don't particularly want to – and my neighbours wouldn't be particularly happy if I said – come along to my premises, come along have a look at [my studio]. So my marketing - - it means I can't be quite as open on my website. I think it affects how I work at the business.

Furthermore, the issue of expectations related to the activities that take place in the home also extend to the broader social realm for HBB owners. For example, three participants (R24, R20 and R22) discussed how they still have the burden of 'home' work activities to do even although they are at 'work' when in the home. As R22 explains:

I think also there's a sense of guilt that if you're at home all day, people coming home to the house should expect it to be all tidy and their dinner to be made, instead of me saying well I can't do that because I've not been here – although I've been here physically, I'm not here to tidy up and make dinner; I'm working.

This implies that perceptions of HBB are cross-boundary even in people who are 'close to the action'. This indicates that HBB owners face important challenges, and possible effects on their business, related to the expectations of others regarding HBB activities.

7.6 Isolation

Isolation for both the business and the individual emerged as a major outcome for this sample. For almost a third of the sample, business isolation was considered a serious problem with the consequence that the business might struggle and the individual owners would lack productivity. R6 explains:

The biggest disadvantage of running a business from home is the isolation. Because you don't have that element of co-working and collaboration and being able to bounce ideas. The biggest trap that you know I've found is that you tend, particularly when things are challenging and they're difficult, you kind of have that element of self-doubt in your head. You know, am I doing the right thing here? And, if it's just yourself and my wife's at her work, then you kind of become a prisoner of your own thoughts maybe. And it affects your

productivity, there's no two ways about it. You start asking yourself what the hell am I doing here? (R6, IT services)

The most common theme reported was a lack of interaction with others in the industry and wider business community. It was perceived that access to these resources help develop business and keep the owner 'on track' (R6, R24, R29, R27, R4, R7, R11). Further, without this access the experience distance from the usual 'customs' in their industry (R14, R19, R7) (n=10).

In some cases, individuals attempted to remedy this isolation. For example, R24 uses a business coach to keep him motivated. For others, business networking whether in person or online is considered appropriate. In R4's case, networking is vital to her translation business. However, due to her business location (isolated rural) this is a significant challenge for the industry she is in:

So to keep the networking alive. Networking on the computer is not the same as going see people in the flesh, having a conversation. So I try to go to two events a year. I always find that when I come back from an event that I come back with work. (R4, translation services)

The owners in this sample described how they felt cut off from supportive business development environments that could provide them with ideas and guidance for how to develop or adapt their businesses. Thus business operations were affected and potentially limited. In addition, this also affected the owners in terms of access to training and activities which developed them as individuals and which would subsequently impact on their business or alternative employment opportunities. The business isolation aspect of HBB operations has not previously been considered as an isolation factor. Rather the majority of (limited) reference to isolation in the HBB literature has considered *personal* isolation to which discussion now turns.

Isolation as a personal outcome of HBB operation was discussed by almost every respondent in this study from passing references to discussion of significant mental health issues. The comments of R20, where she describes her lack of interaction with others when in the work environment, are common to others across this sample:

I think it's important to try to have people coming in. It is the easiest thing to never seen anyone other than [Cleaner]. And I do try and keep in touch with people. Because, you know, when I'd retired, I thought "it will be so good when I'm retired I'll be able to do this, this, this, this and the next thing". But you just don't have time – when you're doing a business like this, you just don't have time. But at least going out and playing Bridge keeps me in touch (laughs). One night a week! And then usually another day three other people come here. But that's about all, that's about all I do, play Bridge. Just one day a week, maybe one afternoon. But I've got to work like hell to free up the time to do it! (laughs). (R20, B&B)

Whilst, the experience of isolation was common across the sample, and currently an issue for half the sample, in some cases there were extreme reactions to this issue of personal isolation. In these cases (n=5) mental health issues, which covered reports of depression, perceiving oneself to be "odd" (R27), and references to suicide (R7), were discussed. R14 describes the depression he is susceptible to:

I would sorely recommend if someone is prone to depression or prone to any kind of psychological condition... [...] you're on your own, you're isolated, you've got very little back up even if you've got back up on the end of the phone, they're not there in person. [...] I don't know if you understand what I'm alluding to but I'm guessing there's a lot people out there who feel really isolated working from home but put on the smiley face when they go to networking events and [pretend] everything's fantastic. (R14, data management services)

Similar to the discussion about business isolation, many of the sample who felt personally isolated had developed some coping strategies. For example, R14 attends social groups based broadly on business (although he remains sceptical of their value) and has joined a hot-desking business hub. R27 runs a local Brownies club and R7 has started a foreign language film club with other HBB owners working in his industry. Overall, many of the HBB owners engaged in activities or made a special effort to attend social activities beyond the boundary of their homes when it was possible. Making time for coping activities can also be challenging when running a business at home due to work commitments though:

I didn't see anybody, I wasn't doing anything socially I was just so desperate to use every minute to work, that everything else fell by the wayside. (R21, ceramicist)

It should be noted that those who did not directly express that they currently suffered from isolation, did discuss it as being a possible consequence of their choice to base at home. Having visitors or family members at home was common to those who said that they did not suffer from isolation. As R8 says:

Maybe I would if I were kind of isolated, but as I say, I mean I have my husband at home still. Perhaps if I lived alone I might feel a wee bit lonely but no, I'm happily here at home and as I say I've got regular phone calls, regular visitors. There's rarely a day goes passed - - very, very seldom a day goes passed that I don't have somebody in. So no, I never feel lonely. (R8, genealogy researcher)

When considering all the person-related outcomes of engaging in HBB, personal isolation was one of the strongest emerging outcomes in this research. Several participants mentioned depression, one described themselves as 'not normal', and one had contemplated suicide. While personal isolation is mentioned in several papers as an issue that HBB owners may face (e.g. Dwelly *et al.*, 2005; Thompson *et al.*, 2009; Mason, 2010), few have focussed on it in empirical studies. McGowan *et al.* (2011) provide a notable exception identifying that isolation is a factor in the experience of women running businesses from home which they try to resolve through networking and social activities; and similar was found in this study. Previous studies examining self-employed 'working conditions' have found more instances of mental health issues than non-self-employed groups (Andersson, 2008). While it is not possible to say whether mental health issues reported in this study were present pre-business creation, are the direct result of operating a HBB, or are only in evidence because of positive selection bias, personal isolation and mental health issues are worthy of greater scrutiny in the HBB context.

7.7 Analysis: Motivations and Outcomes

As noted in Chapter 2, previous research has investigated the relationship between motivations and outcomes (e.g. Manolova *et al.*, 2012; Delmar and Wiklund, 2008;

Kuratko *et al.*, 1997). Empirical evidence suggests that there is a *causal* relationship between holding a particular motivation and achieving a corresponding outcome. This research has sought to understand business creation motivations and the subsequent outcomes, both business and personal, in the context of Scottish HBBs.

In terms of 'independence' motivation factors, for example control and flexibility, the HBB certainly appears to offer HBB owners these as outcomes. Furthermore, the findings would suggest that in many cases independence outcomes were expected or a pleasant, yet unexpected, benefit. Extrinsic outcomes – self-esteem and income – were also present. However, it was less clear that extrinsic motivations 'matched' the achieved outcomes reported. This may suggest a fit with research conducted in New Zealand investigating HBBs (Kirkwood and Tootell, 2008) which found that expectations about outcomes (which act as motivations for business creation) are not necessarily achieved (also McGowan *et al.*, 2011).

With regards to business activities, the business outcomes that were sought by creating a HBB included financial return and a range of business creation motivations specific to HBB, such as managing costs and risks and facilitating business operation convenience. This research would suggest that the cost control and risk management that the respondents thought the HBB could offer them were reported as outcomes. Financial return was also in evidence at a generally level acceptable to the individual.

Further, these HBBs incorporated two groups: those interested in creating a business to 'make my job' and those seeking to 'manage dual needs'. First, 'make my job' did exactly that: individuals were motivated to create a business to create a job for themselves or keep themselves in employment and that was their principal aim; outcomes reflected that desire. For example, individuals were keen to increase their income opportunities but this was to be done in a way that was manageable without the need for others to become involved in the business. Second, 'manage dual needs' motivations appear to result in businesses that continue to operate in a way which will reduce business requirements as appropriate in order to meet managing dual needs. For example, there were several businesses that were doing well and had potential to grow which was recognised by the owners, but they actively constrained it in order to minimise conflict with their dual needs. What the results would suggest is that for

those who chose HBB specifically to meet their dual needs, then this way of working and living appears to facilitate both to a personally satisfactory level.

Research has also proposed that 'push' and 'pull' motivations have an impact on outcomes (e.g. Simón-Moya *et al.*, 2012; van Praag, 2003; Buttner and Moore, 1997). This research classified these motivational factors under precipitating events. There is no evidence in this research to suggest that the overarching push or pull precipitating event had an impact on subsequent outcomes certainly in terms of business survival as per Simón-Moya *et al.* (2012) findings. Nevertheless, this research would suggest that in the Scottish HBB context, the overarching context (i.e. job creation, managing dual needs) in which motivations for business creation are formed *do* impact on business outcomes.

7.8 Conclusions

First, HBB owners discussed a variety of 'personal' outcomes. For these individuals creating and operating a HBB allowed them to achieve several outcomes, which clustered around extrinsic and intrinsic factors. Satisfaction from business operation was reported as an outcome, a finding which concurs with those of Mason *et al.* (2011) and Greenbank (2001). Soldressen *et al.* (1998) finds that it is enjoyment taken in conducting business activities and associated recognition of their efforts that HBBs gain as outcomes and there may be some evidence from this study to support that. For instance, many owners viewed their businesses as a means to express their creativity and also it was an activity which bolstered their self-esteem. Independence factors such as control, autonomy and flexibility were widely reported and fits with findings from other studies of micro-business in general and of HBB activities in particular including those of Greenhaus and Powell (2006) and Greenbank (2001). In addition, there was also flexibility perceived to be inherent in the HBB model which individuals reported resulted in family friendly outcomes, a finding supported by Ekinsmyth (2011). Finally, the HBB also provided this sample with an (acceptable level of) income which can also be viewed as a personal outcome. Much discussion has centred around the economic viability and value of HBBs, underpinned by an assumption that by not replicating a 'traditional' view of business creation driven by, and resulting in, growth in profits, turnover and employees, that in some way HBBs are not likely to meet a

principal business (and personal) requirement, but they do. Certainly in this study, the purpose of these businesses is in the infancy of the business (and in many cases, the central purpose of the HBB) to provide the owner with an (acceptable) income. Whilst there were HBB owners who discussed seeking to grow their businesses and that desired increases in profits, there were many that saw their businesses as a manageable way to create their own job and to earn a living by doing so.

What these 'personal' outcomes suggest is that many of the outcomes of engaging in HBB are similar to those often reported of business creation in general (e.g. Birley and Westhead, 1994; Carter *et al.*, 2003). Perhaps the difference of a HBB is that the personal outcomes achieved are specific to individuals. For example these may include utilising the flexibility of this business model to meet individual's needs around health, family or preferred activities. The real issue is about whether, by engaging in HBB in particular, this has consequences for business growth outcomes. However, it is worth considering that this judgement of HBB is made in light of a dominant conception of what it means to be in business. Thus, rather than judge HBB according to those definitions, perhaps as several authors have identified, a new approach to understanding business 'success' is required (e.g. Rogoff *et al.*, 2004; Simpson *et al.*, 2012).

What the 'business outcomes' reported do suggest, is that the model is beneficial in terms of controlling for business costs which individuals perceive as a benefit as it allows them to generate a personal income. However, it also suggests that by operating in this way (i.e. running a HBB to minimise costs) that the 'business case' underpinning the business may be limited due to several factors such as: the business type, the output value of the product or service and the need of HBB owners to remain competitive which they do by reducing costs based on their home status. Therefore, whilst the model is viewed as positive in facilitating business operation it is not without adhering to basic business principles that the business should function at an operational level where it is not the owner having to make sacrifices in order to be in business.

However, despite both business and personal motivations generally being achieved in terms of positive reported outcomes, there were two significant areas which are challenging for HBB owners and do have the potential to undermine their activities.

These are boundary management and isolation. First, running a business at home may strain various boundaries and can put pressure on managing two potentially competing demands in one place. Further, the situational characteristics of HBB, i.e. it is based in one's home and is likely to result in little interaction with others, creates an environment of isolation for HBB owners. Despite uncertainty about causality, or its direction, it might suggest that HBB can have an effect on the mental health of HBB owners.

In sum, the findings of this study indicate that there are both business and personal outcomes of HBB operation. The HBB owners of this sample, in general, reported that the outcome of their activities had been positive for both business and the individual. However, when analysing each element separately, it begins to reveal that both 'sides' of this coin suffer from challenges and restrictions, such as isolation and boundary compromises. Thus, while this sample reported that they perceived that their HBB activity blended both 'sides' in such a way that overall it facilitates outcomes that are satisfactory to owners, considerable challenges to the blending of home and business are ever present. Furthermore, these 'dark' side elements to the HBB model may mediate the achievement of the initial business and personal motivations with the potential to restrict the achievement of the desired outcomes, especially for business factors.

Chapter Eight: Entrepreneurship in home-based business

8.1 Introduction and overview

Despite the complexity of defining entrepreneurship as noted in Chapter 2, this study employs Carland *et al.*'s (1984) definition which identifies profitability, growth, innovation and strategy as central to the phenomenon. Since HBBs are often micro enterprises and/or are assumed to be 'lifestyle' businesses (Vorley and Rodgers, 2012), there is a suggestion that innovation and growth may not be in evidence in HBBs. This research sought to investigate this (objective four) and reports findings for RQ4: is entrepreneurship (defined as growth-orientation) evidenced in home-based business?

The findings from this study would suggest that entrepreneurship *is* in evidence in this sample. However, four differing orientations emerge. First, there are those who seek and engage in entrepreneurship in terms of growth and strategy and have been labelled here as 'conventional'. Second, there are those who engage in innovation activities, yet constrain some growth-related elements and are labelled 'diversifiers'. Third, the largest cohort of these HBB owners are labelled 'satisfiers' as they are content with their business in its current form and are thus not defined as entrepreneurial. Finally, there were HBB owners who actively avoided growth and have been labelled as 'avoiders'.

This chapter will consider each of these differing groups in turn. Thereafter, a business-orientation typology for HBBs is proposed.

8.2 Conventional

Of the thirty participants in this sample, eight owners exhibited 'conventional' entrepreneurship-related motivations, intentions and/or business behaviours. It should be noted that while some respondents (n=7) were clear about their aspirations (and their actions taken to achieve those), others (n=1) were more circumspect and were classified based on researcher observation and interpretation.

Conventional growth activities could include one or some of the following: plans to take on 'employees' (n=8); move from the home premises (n=5); growth in revenues

(n=7); and diversification activities (n=2). R1 provides a clear example of conventional business-orientation. First, his ambitions for his online marketing services business are to achieve significant scale:

Right now we're also exploring new streams of income because I think yes, this agency can grow. [...] So we're trying to develop services or products that can be sold like en masse so we can be the next Mark Zuckerberg.

He also has clear ideas and actions in place for how to achieve this, including taking on new staff:

We are achieving that because this new person that is running what I'm doing is quite new; she came with us like three months ago. So first month I was still really involved, but right now she's more free and she can do most of the things I was doing in the operation part of running campaigns. So maybe having a new person that gets new businesses and gets new customers and make proposals and pitch all these ideas to new customers. That would be a success in the short term.

And moving out of the home premises:

I think if we want to grow more we would have to stop being a home-based business. I think you cannot - - I think the kind of exchange and work dynamics is not the same when you are a home-based business and when you have a proper office I think. So if we were to grow more we would have to think about having some kind of office space. (R1, online marketing services)

R1 is not alone in his ambition nor in some of the actions he is taking to grow his business. For example, R6 is also keen to expand his IT services business by taking on employees and moving out of the home base, and R17 also reports employees and external premises in their plans to grow their food manufacturing business. Additionally, R17 is diversifying her food offering to reach a wider market.

In addition to 'conventional' entrepreneurial approaches to business there were some owners who intended to achieve this in a HBB-specific way. For example R18 who is conventional in terms of desiring growth in revenues and profitability, seeks to do this through maintaining his home base (as his business – telecommunications services –

allows for this). Within this context, he is at the initial stages for negotiating with external backers to grow his business:

I'm just talking to some of the people (()) this could be something huge. [...] So basically I'm interested, I'm talking to some other people as well, because if you want to do this on a large scale, we need some other people as well, I can't do everything by myself [...] First of all we need a infrastructure; and for the infrastructure we need investment; and for investment we need investors. This is why I went to the [Venturing Organisation]. [...] When I spoke to them, I told them clearly that please don't just give me a bag of money in the form of an investor. I need a person who is very active. (R18, telecommunications services)

The key to R18's plans for growth is his approach to growing the scale of his business through cooperation, that is sub-contracting 'job' roles, rather than having employees 'on the books'. This approach to entrepreneurship is part of the model that several of these conventional business-orientated business owners are taking (R15, R18, R29). Others (R1, R6) also intend to minimise the risk of having employee overheads at the early stage of their business while clearly articulating that non-sub-contracted employees are part of a growth plan. Previous research outlined in Chapter 2, finds that this form of 'jobless' growth is common to (UK) HBBs (Mason *et al.*, 2011; Enterprise Nation, 2009) and has been used by this sample to build scale in their organisations. These findings also indicate though that some of the HBBs in this sample will grow through job-creation, rather than 'jobless' growth.

Further, it is worth noting that most of these businesses are either nascent or very early stage new business (except R29). Some of the business owners actually described themselves as 'start-ups' which would fit with the idea that HBB can be useful for testing the business/market (Walker and Brown, 2004) and other research which shows HBB creation correlates with greater numbers of nascent businesses in areas across the UK (Mason *et al.*, 2011). At this early stage in the business life cycle, it is possible that individuals report greater desire for entrepreneurship-related outcomes, i.e. growth and profitability (and corresponding actions) as they seek to establish themselves in business and before they have had time to 'bed in' to their business activities.

Overall, these findings would suggest that these conventional business-orientated HBB owners went in to business with an intention for their business to engage in entrepreneurial indicators as defined. Subsequently, they engaged in actions required to support growth activities in their businesses such as seeking to take on employees, desiring (and achieving) increases in profits, engaging with external financiers, and diversifying the product/service offerings to realise the potential of their business.

8.3 Diversifiers

Seven of the respondents fit with a diversifier orientation. Diversifiers do not want to grow their businesses through employees, new premises or external funding and as such do not exhibit 'conventional' growth attributes. However, they do innovate but in a way that they perceive is manageable for them to maintain. Thus, they develop new products or offer new services that may grow their businesses in terms of revenues, but will not 'stretch' the business beyond their control.

For example, R3 plans to extend her range of health and well-being services and to start to include products, and R28 plans to diversify by offering a new service that fits with her current spiritual and holistic health business. R30 provides another clear example. She describes how when a particular product sells well, she develops new styles in the same range:

So the cushions have been a really good success. And from there I'm starting to think about chickens and owls and things like that now just to kind of introduce more things. (R30, accessories manufacturer)

Yet despite diversification activities in these businesses, diversifier business owners intend for these to be delivered within the constraints of what it is possible for the *individual* operating alone to be able to provide. As R27 explains she has diversified by trying to reach new markets, and while keen to grow the financial value she gains from her printmaking business, she does not want to expand beyond her (self-imposed) boundaries:

I suppose I hoped that one day it could be full-time. But in that respect I don't envisage moving out of the space that I'm in. I'd like more work, but I'd still want to be able to do it in the space that I work in now. (R27, printmaking)

Although less common for diversifiers, there was evidence of cooperation with other businesses, and this was often about providing skills which the owners did not have. R9 explains the process of making one of her small gifts, which includes an element of sub-contracting for a part of the product:

I get the name stitched on. I don't have the machine to do that so I work with another Facebook business [...] I send it down to them and get the name stitched on and make the bear and then it goes back out. (R9, small gifts accessory manufacturer)

What emerges from considering the diversifiers is that they do exhibit some characteristics associated with entrepreneurship such as pursuing innovation in terms of product/service offerings and reaching out to new markets. However, this is done at a level that they consider manageable so that they are not pushed beyond their personally manageable boundary; for these HBB owners it is about growing revenues and business offerings but limited to what they themselves can manage. As such, they do not exhibit many of the conventional growth indicators. Nevertheless, there is evidence of cooperation with other small business owners to provide access to skills that they do not possess and with a focus on minimising risks to themselves.

It is worth noting five of the seven were engaged in small scale manufacturing (often craft-based) activities. These types of business somewhat necessitate continual production of new products to be sold to existing customers. Second, all of these diversifier HBB owners were female (four with dependents). Many of them described the HBB as a means to manage dual needs and as such, maintaining the business at a manageable level, whilst attempting to grow elements of it, may be related to the dual requirement of the business: to generate an income and yet work around other commitments and this may be particularly pertinent for women.

8.4 Satisfiers

Satisfiers represent the largest collection of HBBs in this sample (n=12). Satisfiers are content (or not) with how their HBB is doing and as a consequence do not exhibit conventional entrepreneurial activities. Thus, they are not looking for strategies for

growth or innovation/diversification, and are keen to keep their business at a personally manageable level.

As an example R22 explains that she is not interested in moving to premises as a means to grow her business; a common feature across the satisfier sub-sample:

But I guess ultimately people do want their own premises and want to see their business expand. But for me, I think that wouldn't be good, and there's no requirement for it. So I'm quite happy. (R22, training consultant)

However, there were cases amongst this satisfier group of using cooperation in order to deliver their business services. For this cohort, the use of co-operators through a sub-contracted relationship, was used to minimise risk and is not seen as a means to grow their firms, rather it is a flexible approach in times when they are overstretched. R10 explains how this way of working allows him to deliver his business but without any undue risk to him:

The way I work now is that I use associates and freelance associates on jobs that I've worked. And that's helped because it's very flexible. I don't need to pay them if work's not coming in. I don't have to pay the on-costs for them or pensions or have any kind of responsibilities for them. [...] (R10, management consultant)

This research finds that over a third of HBBs in this sample are content to remain within the home and to keep their business 'manageable' notwithstanding some use of cooperation relationships in order to meet business demands as they arise. This echoes the findings of Mason *et al.* (2011) who also found that many HBBs were keen to remain within the home or stay the same size (i.e. run by one owner). Further it is interesting to note that all of the satisfiers ran services-based businesses (in contrast to diversifiers) in this predominantly service business type sample. This might suggest that service-based businesses do not have to engage (so frequently) in diversification activities or it may be related to the business model that they have in place. In addition, many of these HBB owners appear content with the income they are generating and as such there is no need to push for revenue-based growth through conventional methods. It is worth noting also, that the satisfier group was the one with the highest income levels. This may fit with a business life cycle approach such that

these individuals have progressed through the early stages and are now satisfied with how their business operates and the income generated. This would fit with the age and stage of these businesses as eight are established and four are at the later stages of new business classification criteria.

8.5 Avoiders

Finally, in contrast to the other orientations, a small group of three from this sample were actively resistant to growth. R20 is a prime example. Her B&B business is very successful, in fact in her eyes too successful, such that she says:

If anything no! If anything I would, I would kind of shrink it. Probably just do the two rooms and then I could manage myself if I was only doing two rooms. (R20, B&B)

R8 is also resistant to the idea of growth, and in discussion indicates that this may be an age-related choice:

No. Not at all. I don't really want to grow my business any bigger than it is. If I was maybe 30 or something like that I would be thinking oh right I can maybe take on a couple of employees or something like that. But no, not at my age, no. I'm happy to tootle along the way I am and I don't want to expand my business further than it is. (R8, genealogy researchers)

Whilst representing a small proportion of this sample, findings from this research would suggest that there are HBBs that operate on the basis of avoiding or at least minimising the growth (potential or actual) of their businesses. Of those who were keen to limit their businesses, it should be noted that they were all retirees or near to retirement age. Thus age-related factors certainly seem to have played a part in their decisions and actions.

8.6 Analysis: Entrepreneurship-orientation typology

The findings of this research would suggest that there are four reasonably distinct groups, in terms of their business-orientation: conventional, diversifier, satisfier and avoider. This research proposes that it is possible to group together respondents by

their business-orientation (see Table 7). With regards to their growth-related activities, an HBB can take various concurrent measures and as such may be shown in more than one row. From there, it is possible to overlay the business age and stage. As Table 7 shows, this presents those at the nascent or early stage of business as more driven by conventional measures of growth as opposed to those who operate established businesses in the satisfier column.


| Business-orientation / Activities | Conventional | Diversifier | Satisfier | Avoider | Key |
|-----------------------------------|--|------------------------|-------------------------------------|--------------|-------------------------|
| |  | | | | |
| Growth via employees | R1, R6, R14, R17, R24 | | | | Nascent New Business |
| Growth based on co-operation | R1, R6, R15, R18, R29 | R9, R28 | R5, R10, R16, R19 | | Established |
| No growth | | R3, R21, R23, R27, R30 | R2, R4, R7, R11, R12, R13, R22, R26 | R8, R20, R25 | |

Table 7. Business-orientation typology

Entrepreneurship research, with its basis in economic literature, would suggest that a key feature of business, and evidence of entrepreneurship, is growth (Kao, 1993; Steyaert and Katz, 2004). The perception of HBBs, however, is that they are not growth orientated, instead they are perceived to be of low value and lifestyle, and as such are considered of limited impact (or benefit) to an economy.

What this research finds is that a range of orientations for business activities are in evidence in this sample of HBBs. From analysis of the activities of this sample, HBBs can be labelled conventional, diversifier, satisfier or avoider. Therefore, conventional entrepreneurship is observable and not entirely absent. However, there were those who chose to ‘diversify’ their offerings in a manageable way and many more ‘satisfiers’ who do not wish to limit the growth potential (in terms of personal wealth creation) of their business, and yet do not wish to achieve growth through ‘conventional’ means of creating jobs or innovation. Therefore, the extent to which the majority of these HBBs (i.e. diversifiers, satisfiers and avoiders) can be labelled as ‘entrepreneurs’ or exhibiting ‘entrepreneurship’ is questionable. Nevertheless, this research would still suggest that the common conception of the HBB as a *homogenous* lifestyle business sector, which

does not aspire to, or achieve, entrepreneurship-related outcomes, is limited. Thus, the recent literature which calls for reviewing how growth, as an indicator of entrepreneurship, is conceptualised (e.g. Kiviluoto, 2013), is supported by evidence from this study.

The gender of a HBB owner and their business-orientation classification also appears to emerge from analysis as an important finding. It is worth noting that the majority of those not exhibiting entrepreneurship characteristics in their businesses are female (n=15 of 22 in diversifier, satisfier and avoider categories). This fits with the findings of Thompson *et al.* (2009) who found similar in their study of UK female HBB owners. Furthermore, the age and stage of both the business *and* the owner appears to influence business orientation. For example, those owners who expressed personal reasons for HBB creation, often around life stage factors such as the presence of children, were not likely to be those who were interested in 'conventional' growth activities or outcomes. For them, the dual nature of HBB is the important aspect: providing an income and facilitating time for other activities. Similar was found for those who were retired or nearing retirement. Thus, their HBBs are about two things not just one. It could be suggested, therefore, that the HBB model for business creation *is* a means to a specific end that can be either business or personal. Therefore, understanding business motivations and creation in the context of life (and business) stage is important and may provide indicators for subsequent outcomes.

8.7 Conclusions

In conclusion, 'entrepreneurship' and HBB are not antonyms, yet neither are they synonyms. What this research finds is that some HBBs exhibit conventional growth objectives and outcomes. This was in the minority, reflecting the findings of entrepreneurship in small firms generally (Levie and Lichtenstein, 2010). Nevertheless, while many more of this sample did not exhibit 'traditional' entrepreneurship characteristics there was evidence of growth-related activities. These include innovation in terms of diversification of products and services and 'jobless growth' through sub-contracting (Mason *et al.*, 2011). Thus, the HBB phenomenon is the site of heterogeneous business activities. Furthermore, a business typology created as a result of this study, reveals that there appear to be two important relationships. First,

a relationship between the gender of the business owner and their orientation emerges, and second, a relationship between the age of the business *and* the business owners and their orientation was found. Thus, in the context of HBB it is not just the operational environment that may have an impact on (preferred) business outcomes, but that life stage and gender factors may have an equal if not greater impact. Therefore, not only can the HBB phenomenon not continue to be labelled as unworthy of (economic) attention and research, but misconceptions about its entrepreneurial character and potential must be revised.

Chapter Nine: Conclusions

9.1 Introduction and overview

This research sought to investigate home-based business (HBB), the motivations for it and the outcomes from it. HBB as a form for business operation is continually increasing across Scotland and the rest of the UK (Enterprise Nation, 2014). Further, cumulatively HBBs represent approximately 50 per cent of all SMEs in the UK, contributing £300 billion to the UK economy (ibid.). Yet, academic investigation of this phenomenon has been limited. Where research has been conducted, it has predominantly situated the HBB within an entrepreneurship paradigm and therein lies the paradox: is HBB an entrepreneurial activity or rather, is HBB, as frequently viewed, a means to facilitate other ends such as 'lifestyle' and work-life balance? This thesis has sought to consider these and in doing so, to understand the HBB as a means to what end?

In light of the literature investigating HBB, and based on SEE theory, there were four research objectives for this study.

- Objective 1. To explore dimensions of home-based business and different types
- Objective 2. To investigate intention antecedents and motivations for home-based business in the context of theories of entrepreneurial intent
- Objective 3. To examine the personal and business outcomes of home-based business
- Objective 4. To investigate if entrepreneurship defined as growth-orientation is observable in home-based businesses

This empirical study engaged with 30 HBB owners from across Scotland. From a critical realist perspective, it employed an exploratory, qualitative, in-depth, interview-based approach that sought to gain access to the narratives of the sample. This enabled the researcher to understand and gain insights into business creation journeys and subsequent outcomes with rich illustrations.

A summary of the findings and the contributions of this study to knowledge are presented. Thereafter the limitations of this study are considered as are areas for future research.

9.2 Summary of findings and contribution

The findings of this exploratory investigation of HBB indicate complexity. On one hand, HBB is similar to other small firms and yet, they are distinct in many ways. This includes not only the dimensions of HBB and how these fit with other small firms, but the motivations that underpin the creation of HBBs, their outcomes, in particular the 'dark side' of HBB, the relationship between motivations and outcomes, and ultimately, the fit of HBB within the entrepreneurship paradigm. It is the distinctive character of the HBB that emerges as an illustration of its value as a concept for deeper and further exploration; an aim of this thesis. Several major findings from this study support this and will be presented here in line with the research objectives of this research.

9.2.1 Home-based business dimensions and types

Objective 1: To explore dimensions of home-based business and different types

RQ1: What are the key dimensions of a home-based business?

To begin, this research corroborates previous literature that concludes the HBB phenomenon is hard to accurately define given the plethora of activity, both business and home, which can take place in one location. To date, the majority of research investigating HBB has not clearly distinguished the *location* of business activities, that is, whether it takes place *in* or *from* home. This study identifies that in order to understand the effects of business and life in one location, it is necessary to clearly delineate *where* business activity takes place. Therefore, according to this study a HBB describes business activity which takes place *in* the home.

Further, this study reveals that the gender of the HBB owners appears related to the choice of business activity such that, women, in general, are found here to operate lower skill, lower revenue businesses. It is interesting also that gender appears relational to two further dimensions: human capital attainment of the individual and human capital requirement for the business. Human capital attainment refers to the highest level of education attained by the individual with several studies showing that HBB owners have higher levels of attained human capital than other small firm owners (e.g. Mason *et al.*, 2011); findings this study would support. However, it is the discrepancy between the highest levels of human capital attainment of the individual

and the human capital requirements of the business which are pertinent in this study. The discrepancy between attainment and requirement is most significant for female owners such that a woman holding an MBA may operate a firm with low human capital requirements as is the case with respondent R3 (also R23, R17, R28 for example – total nine). The opposite seems to be the case for some of the male HBB owners in this sample. For example, R6 with school-leaver qualifications runs a high value IT consultancy business (also R16, R19). While these observations are based on qualitative research and therefore may not be generalizable, nevertheless, the apparent relationship between gender, human capital and HBB ownership does merit further investigation.

The use of technology in HBBs is another dimension feature of HBB. Whilst popular rhetoric suggests technology is a key influencer of HBB activity and is the ‘cause’ of its high numbers, this study finds that the owners were just as likely to not be technology-enabled as those that were. This suggests that the influence of technology may be overstated and this may limit our understanding of this business sector. Overall, this thesis has identified several dimensions, arranged as typologies (see Chapter 5), which might contribute additional clarity when researching HBB.

9.2.2 Motivations for home-based business creation

Objective 2: To investigate intention antecedents and motivations for home-based business in the context of theories of entrepreneurial intent

RQ2: Why do individuals engage in home-based business?

Findings on motivations for HBB reveal that there are two complementary strands of motivation involved. First, HBB owners in this study were motivated by many of the factors reported in small firms literature such as status, financial reward and control (e.g. Carter *et al.*, 2003). In addition to these ‘classic’ motivations, there was also evidence to support motivations *specific* to the creation of a HBB. HBB-specific motivations were principally related to perceptions that both business and personal needs can be facilitated by HBB. The HBB-specific business motivations such as cost control and managing risk were identified by this sample as important during the start-up phase and, for many, were an on-going business concern. Personal HBB-specific

motivations were related to attempts to meet more than one need or desire, for example, managing health requirements or parental roles in addition to business. The perceived flexibility, or work-life balance, afforded by HBB creation was a particular draw for many in the sample. Further, there is some evidence to suggest that these ‘dual need’ motivations are gendered as predominantly female respondents seek flexibility to manage life stage transitions, especially childcare. Future research investigating business creation motivations may be informed by recognising the importance of business location, as it may have a significant impact on the cognitive business creation process and subsequent business creation behaviours.

This thesis finds empirical evidence of motivation antecedents – attitudes, subjective norms and self-efficacy – particular to the choice of locating a business in the home. This provides us with some opportunity to contribute to the development of theory of motivations for small business creation. In particular, Shapero’s Entrepreneurial Event theory (SEE) (Shapero and Sokol, 1982) was employed to understand the elements of the business creation decision process (Figure 9).

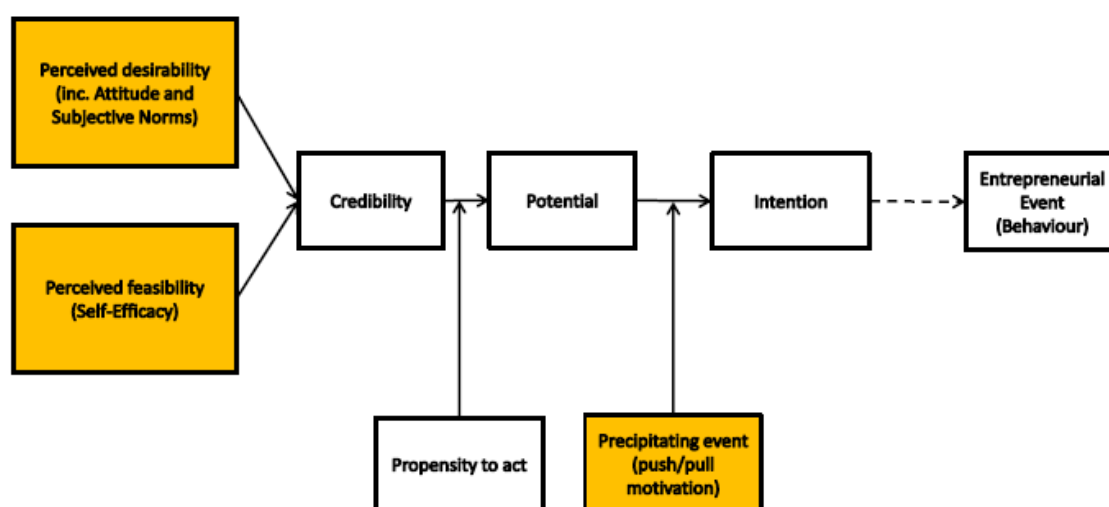


Figure 9. Shapero's Entrepreneurial Event Theory (SEE)

Source: Shapero and Sokol (1982)

The theory comprises several business creation antecedents including perceived desirability, perceived feasibility and precipitating event. This study found support for each of these antecedent elements (indicated by the shaded boxes). For perceived desirability – comprised of attitudes and subjective norms – there was greater support for the importance of attitudes than subjective norms. Nevertheless, whereas in other

studies the value of subjective norms has been indeterminate (e.g. Elfving, 2008), this study shows that many in this sample were exposed to a family and/or friends background in business with further references made to cultural awareness of business creation as a valued activity. Perceived feasibility, or self-efficacy, which according to Shapero and Sokol (1982) encompasses human, financial and social capital, was strongly in evidence in this sample. This was particularly the case for human capital. Two-thirds of this sample created a business based on their highest level of educational attainment background (i.e. accountant creates accountancy practice) or linked to their work experience (i.e. management consultant in a specific field moves into management consultancy in the same area of expertise). In the remaining nine cases, gender emerges as a factor which potentially influences the link between human capital attainment and application in business, as outlined in the previous section. Financial capital was partially supported with the importance of a 'facilitation' job in evidence for some, i.e. an employment position that makes the HBB feasible in the early days or on an on-going basis. Additionally, there was strong support for the precipitating event antecedent as almost without exception, every respondent, save one, in this study reported one or more precipitating event(s). This could take the form of a life event (e.g. birth of a child) or a work-related event (e.g. redundancy). Overall, there were more reports of 'push' type precipitating events rather than those who were 'pulled' towards business creation. Nevertheless, there were also occasions when both push and pull factors were reported. This suggests that any narrow categorisation of pre-business creation events into either/or push/pull categories is limiting. Overall, the findings suggest that the antecedents proposed by SEE theory are valid for understanding why individuals created HBBs. However, in addition, from analysis of the empirical data in this study, SEE theory, in its current form, is not without limitations for application in this context. As such, this study presents an adaptation to the existing model (see Figure 10) illustrating that HBB owners experience different routes to business creation, whereby the precipitating event may interject into the SEE model at various stages in the process.

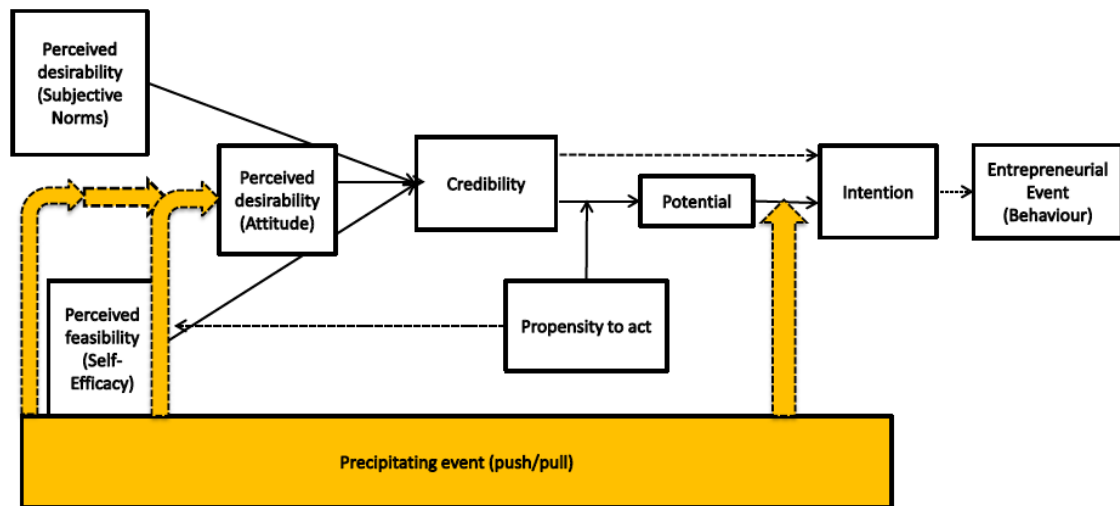


Figure 10. Adapted Entrepreneurial Event Theory

Further, reliance on the agency aspect of business creation may be limited, as important precipitating event contextual factors appear to have an impact on business creation intentions and the entrepreneurial event. Additionally, the adapted model indicates that the cognitive process is not homogenous across individuals and thus recognition of the importance of the individual *within* their contextual circumstances and their route to (HB)business creation is required.

9.2.3 Outcomes of home-based business

Objective 3: To examine the personal and business outcomes of home-based business

RQ3: What are the business and personal outcomes of engaging in home-based business?

The broadest research objective of this study was to understand the business and personal outcomes of operating a HBB. As the HBB is most often framed within an entrepreneurship paradigm, existing research has sought to understand predominantly business outcomes – that is, revenues, employment and growth – of engaging in this form of business. Yet despite this, HBB has also been widely perceived as a means to maintain a ‘lifestyle’ or to meet dual needs, that is, to chiefly obtain the elusive work-life balance; this study would support these perceptions to a certain extent. Nevertheless, this study finds that HBBs contribute to *both* business *and* personal outcomes. One business outcome is minimising risk during start-up and throughout continued business operation. A HBB also allows for further risk reduction and cost

control as the majority of these owners, when seeking to grow revenues, currently do so through co-operation with others via sub-contracting relationships rather than by directly employing others. Financial return is also in evidence, although to varying degrees across this sample. For example, the findings indicate that female HBB owners spend less time on their businesses as per the findings of Thompson *et al.* (2009). This seems to occur due to managing dual needs and consequently affects their business growth orientation and outcomes. Nevertheless, this was not unforeseen by the female owners who appear content with this comprise as, like many other HBB owners, their HBB provides them with a job, and to that end, their business meets a need. For others, predominantly male HBB owners, financial growth is key. Alongside these, HBB also facilitates many other personal desires such as having control and autonomy, flexibility, and maintaining a sense of status. As such, the HBB is an activity which positively contributes to an owners' life.

However, operating a HBB is not without its consequences. The most significant finding of this research, which is largely absent in the extant literature, is the 'dark side' of HBB activity. For example, many of these owners experienced both business and personal isolation. From a business perspective, this resulted in challenges to the development, and potential growth, of business through lack of business contact interaction. Although business characteristics of HBB have been previously identified as possible negatives of HBB (e.g. business credibility and business type (e.g. Walker, 2003; Bryant, 2000, respectively)), no literature to date has discussed the impact on HBB of their (social) isolation from other businesses. Thus, this research makes an important new contribution to knowledge.

Personal isolation in HBBs, according to this research, is a very serious likelihood of HBB ownership. Whilst touched on in some previous HBB literature (e.g. Berke, 2003; McGowan *et al.*, 2011), this study finds that personal isolation is a factor that affects almost every HBB owner in this sample with evidence of severe outcomes such as incidences of depression and suicidal thoughts reported. Thus, previous literature has not adequately examined nor reported the full extent of this issue for HBB owners. This is a key finding from this thesis. In addition to factors around social and business isolation, spatial and temporal boundaries were blurred by engaging in HBB. Thus, whilst a HBB may offer various positives as a place of work and offering a means to

create a job, it also comes with several significant 'side-effects' which require further investigation. Moreover, these negative outcomes are often unforeseen and once a commitment to operating a HBB has been made, it may not be possible for individuals to move away from their business to alternative means of employment. Furthermore, the findings of this research indicate that there is a relationship between initial business creation motivations and the business and personal outcomes achieved, notwithstanding the unforeseen negative outcomes. Thus, this study contributes to knowledge on the influence of pre-business motivations and their effect on business (and personal) outcomes.

9.2.4 Entrepreneurship in home-based business

Objective 4: To investigate if entrepreneurship defined as growth-orientation is observable in home-based businesses

RQ4: Is entrepreneurship (defined as growth-orientation) evidenced in home-based business?

Finally, this study sought to determine if entrepreneurship was evident in HBBs or not. Oftentimes, HBB is dismissed as lacking entrepreneurial characteristics such as innovation and growth, and ultimately lacking contribution to desired economic growth. However, recent publications would suggest that not only does the cumulative number of HBBs in the UK indicate that they have significant contribution to make, but studies have shown that some HBBs do seek growth (Enterprise Nation, 2014; Mason *et al.*, 2011; Mason and Reuschke, 2015). This study finds however that entrepreneurship is *only* exhibited by *some* of the HBBs in this sample; the majority do not exhibit entrepreneurship characteristics and this is principally the case in female-run HBBs. Therefore, this study has uniquely revealed that there are four different business orientations for the HBBs in this sample: 'traditional', 'diversifiers', 'satisfiers' or 'avoiders'. Thus, these groups exist along a spectrum from those who actively pursue the hallmarks of entrepreneurship to those who avoid attaining such markers. Generally, this study finds that the majority of HBBs seek business sustainability and development. Rather than via activities traditionally associated with entrepreneurship this study finds they do this through diversification activities and/or co-operation/sub-contracting arrangements. The point for these HBB owners most often is to increase

revenues in such a way that their business remains manageable for them and does not compromise their desire to meet more than one need.

Table 8 summarises the findings from this research in relation to existing HBB literature and the assumptions identified in Table 1 in Chapter 2.

| Literature/Assumption | | Author(s) | Findings of this research |
|-----------------------|---|---|--|
| Economic | Trend towards HBB, especially in rural economies | Rowe <i>et al.</i> (1999); Enterprise Nation (2009); Enterprise Nation (2014); Phillips (2002); Dwelly <i>et al.</i> (2005) | Referring to Chapter 5, as this research worked with a non-generalisable sample, it is not possible to present findings on the presence of a trend towards HBB or their geographical status. Nevertheless, just over half of this sample were new businesses or younger (<42 months) and just under a third were rural businesses. |
| | HBBs demonstrate growth indicators (e.g. orientation, household contribution) | Walker (2003); Dwelly <i>et al.</i> (2005); Enterprise Nation (2009); Mason <i>et al.</i> (2011); Enterprise Nation (2014); BIS (2014); Mason and Reuschke (2015) | Referring to the findings presented in Chapter 8, only <i>some</i> HBBs demonstrate growth indicators through employment, seeking profits, diversification of their products and sub-contracting arrangements. This study labels these as 'conventional' businesses. |
| | Growth types specific to HBB: outsourcing, sub-contracting | Dwelly <i>et al.</i> (2005); Mason <i>et al.</i> (2011); Enterprise Nation (2014) | Referring to the findings in Chapter 8, there is evidence from this research to support sub-contracting as a method used by HBBs to achieve 'manageable' growth. This study found that this was predominantly the case for 'diversifiers' and some 'satisfiers'. |

| | | | |
|------------------------|---|--|--|
| | HBBs lack growth indicators (e.g. employees, turnover) | Soldressen <i>et al.</i> (1998); Phillips (2002); Loscocco and Smith-Hunter (2004); Thompson <i>et al.</i> (2009); Newbery and Bosworth (2010); Ekinsmyth (2011) | Referring to Chapter 8, this study found that the majority of HBBs do not display growth indicators and as such are not defined as entrepreneurship. |
| Non-economic | Work-life balance | Felstead <i>et al.</i> (2002); Bryant (2000); Shaw <i>et al.</i> (2000); Jurik (1998); Moore (2006); Walker <i>et al.</i> (2008); Tietze <i>et al.</i> (2009) | Findings presented in Chapters 6 and 7 show that work-life balance (in this study most often referred to as flexibility) were sought both as a motivator for business creation and as an outcome of operating a HBB. |
| | Combat disadvantage – disability, presence of children, retirees and hobbyists. | Pratt (1987); Jurik (1998); Soldressen <i>et al.</i> (1998) | The findings reported in this study show that two thirds of the sample could be said to have a ‘disadvantage’ factor. In some cases, these were discussed as motivations for the creation of a HBB in particular (refer to Chapter 6). |
| Characteristics | Hours worked in HBB are long (>40 hours) | Edwards and Field-Hendrey (1996); Walker (2003); Tipple (2005); Enterprise Nation (2009) | There is some evidence to suggest that long hours are common for this sample with almost half working longer than 40 hours per week (refer to Chapter 5). |

| | | | |
|--|---|---|--|
| | Hours worked in HBB are short (<30 hours) | Rowe <i>et al.</i> (1999); Loscocco and Smith-Hunter (2004); Thompson <i>et al.</i> (2009); Mason <i>et al.</i> (2011) | As discussed in Chapter 5, a third of these HBBs were operated on a part-time basis. This reflects the literature which suggests that working hours in HBBs follow a u-shaped distribution of either higher or lower hours worked. |
| | HBBs more often found in <i>rural</i> areas | Felstead and Jewson (2000); Phillips (2002); Dwelly <i>et al.</i> (2005); Newbery and Bosworth (2010); Mason <i>et al.</i> (2011) | This non-generalisable sample finds that almost a third of these HBBs are rural businesses (refer to Section 4.5.2, Chapter 4). |
| | HBBs more often found in <i>urban</i> areas | Edwards and Field-Hendrey (1996); Wilson <i>et al.</i> (2004); Enterprise Nation (2009) | The majority of this non-generalisable sample operated in urban areas (refer to Section 4.5.2, Chapter 4). |
| | Low amounts of initial capitalisation or self-funded | Soldressen <i>et al.</i> (1998); Loscocco and Smith-Hunter (2004); Newbery and Bosworth (2010) | Capitalisation of these HBBs was limited and at a low level. In addition, self-funding was the predominate approach, with most using a second job for financing. Refer to Chapter 6, Section 6.4. |
| | HBB owners have high levels of human capital attainment (not including business experience) | Jurik (1998); Soldressen <i>et al.</i> (1998); Felstead <i>et al.</i> (2000); Loscocco and Smith-Hunter (2004); Newbery and Bosworth (2010); Mason <i>et al.</i> (2011) | This sample had high levels of human capital, especially formal qualifications. Refer to Chapter 5, Section 5.1. and Chapter 6, Section 6.4. |

| | | | |
|--|--|---|--|
| | Gender – HBBs are run by women for WLB reasons | Edwards and Field-Hendrey (1996); Holmes <i>et al.</i> (1997); Kirkwood and Tootell (2008); Walker <i>et al.</i> (2008); Enterprise Nation (2009); Ekinsmyth (2013); Wynarczyk and Graham (2013) | The findings of this study suggest that flexibility is important to parents (in most cases females) with children. Although flexibility is valued by many males in the sample also. Refer to Chapter 7, Section 7.2. |
| | Technology as a causal factor | Edwards and Field-Hendrey (1996); Bryant (2000); Ammons and Markham (2004); Wilson <i>et al.</i> (2004); Enterprise Nation (2009); Mason (2010); Mason <i>et al.</i> (2011); Wynarczyk and Graham (2013); Daniel <i>et al.</i> (2014) | The findings of this study suggest that the importance of technology as a causal factor for the creation of a HBB is more limited than reported. Refer to Chapter 5, Section 5.6.1, Typology T3. |
| | Knowledge and business sectors dominate | Edwards and Field-Hendrey (1996); Rowe <i>et al.</i> (1999); Loscocco and Smith-Hunter (2004); Ammons and Markham (2004); Mason <i>et al.</i> (2011); Enterprise Nation (2014) | In the case of this study, two-thirds of the non-generalisable sample operated in the knowledge/service sectors. Refer to Chapter 4, Section 4.5.2. |

Table 8. Thesis findings and Home-based business literature/assumptions

9.2.5 Policy and practice

This study contributes to practice in two key areas. First, by utilising a theory of business creation intent, which is found to require adaptation, this thesis demonstrates that intentions to create a business do not solely rest on the agency of the individual. Rather, there are additional contextual factors which influence (HB)business creation. Thus, when policy aims to stimulate the creation of new business, it is necessary to consider many antecedents of business creation. These should not be limited only to areas policy makers perceive as being possible to influence, such as attitudes to business, the social perception of the value of business and in equipping individuals with ‘feasibility’ skills such as business planning and advice. Second, there were two principal ‘dark-sides’ to engaging in HBB: isolation and the management of boundaries. These factors are of relevance to both those considering creation of a HBB and to policy makers who are currently seeking to encourage HBB creation through removing legislative restrictions (e.g. BIS, 2014). Thus, in organisations that support business, an awareness of these issues would be valuable so as to develop supportive mechanisms and measures to minimise their potential and impact on business and owners. In addition, policy and support agencies need to take a holistic view to encouraging HBB creation recognising that these negatives can harm business development and growth and thus implementing ‘damage limitation’ activities such as local networking hubs for HBB owners is recommended.

9.3 Limitations and opportunities for further study

As with all research, this research has limitations. Given that it engaged with a relatively small sample of 30 self-selecting HBB owners, the findings presented here may lack generalizability across the entirety of Scottish HBBs and those further afield. Further, with regards to sampling, the study only involved individuals who are currently running a HBB. Therefore the sample excludes those who tried and either failed, rejected or have since closed their HBBs. Additionally, HBB owners are a challenging sample to gain access to due to limited official records and the nature of their business operation. Thus, the sampling method required a mix of self-selection and snowballing, which may have affected responses, although every effort was made to reduce bias in the data. There are conceptual limitations also. The study is framed

within an entrepreneurship paradigm which may not be the most applicable lens through which to attempt to understand this phenomenon. In tandem with an entrepreneurship theoretical perspective, this study also proposed a conceptual typology that categorised HBBs according to the percentage of time spent running their business *at* home and *from* home. This may not be a useful distinction, particularly when employing a different theoretical lens. Further, this is a cross-sectional study which interacted with the sample at a particular point in time; specifically referencing the wider context of global recession and its consequences, for example increases in redundancy. This may have had an impact on the kinds of motivations and precipitating events reported for HBB creation. In addition, the research project was planned, executed and analysed by only one researcher which may limit alternate interpretations of the data and reporting of findings. Moreover, the researcher has a family and personal background of HBB activity that may have coloured the interpretation of the findings.

Despite these limitations, this research has gathered rich data and reported extensive findings. As a consequence of this exploratory study, several additional avenues for research are implied that would contribute to knowledge.

Widening the sampling frame to include individuals who had previously owned a HBB would enable examination of reasons for leaving HBB and how and why this was done. As this study was cross-sectional, a longitudinal study exploring pre-business creation motivations and subsequent follow-ups to assess the stability of motivations; changes to motivations over business and personal age and stage; and to test the predictive potential of SEE theory would be beneficial. This would enable further testing of the validity of the original SEE theory and the adaptation proposed in this study. These theoretical frameworks could also be tested in different contexts and/or geographies as there may be something particular to the Scottish context that has informed these findings. Further investigation of the nuance and layers of experience found in this study, such as the tendency from women to trade below their highest level of educational attainment, would also be beneficial. Additional study could seek to examine the in/from distinction between HBBs. The findings of this study could be compared to a sample of *from* home Scottish HBBs to identify similarities and differences and thus further establish the typology proposed here. The prevalence of

push factors found in this study is also worthy of investigation as the significance of this kind of precipitating event may be particular to (Scottish) HBBs. Isolation – business and personal – emerged as a major ‘dark side’ finding from this research. Consequently, further investigation is required to understand whether HBB is a contributing factor to mental health issues, or are those who are drawn to HBB business creation susceptible or already experiencing mental health issues? It may also be worth considering whether once an individual engages in HBB, they become ‘trapped’ in this way of operating due to mental health issues or due to a lack of interaction with others beyond the boundary of home in terms of developing their business skills and/or finding alternative job opportunities. Finally, in analysing the fit of HBB within an entrepreneurship paradigm, it becomes apparent that whilst there is a fit, it is across a spectrum rather than an either/or classification. This may suggest that a growth imperative is a very limited conceptualisation of business ownership and that those seeking sustainability are at least as common a group as those seeking growth, and thus worthy of future attention. In addition, it appears that the age and stage of the business and also that of the business owner have an impact on their place on the spectrum. It would be worth further consideration of the importance of either or both of these age and stage factors and how these influence subsequent business and personal outcomes within the HBB context. These factors alongside business creation motivations also appear to influence approaches to business operations or opportunity selection. The extent to which development, sustainability and growth is achieved in these types of micro firms on the basis of collaboration rather than employee and firm growth requires further investigation also.

References

- Ackroyd, S. (2004) Methodology for management and organisation studies: some implications of critical realism *In: Fleetwood, S. and Ackroyd, S. (eds.) Critical Realist Applications in Organisation and Management Studies*, London: Routledge, pp. 137-163
- Ackroyd, S. and Fleetwood, S. (2000) Realism in contemporary organisation and management studies. *In: Ackroyd, S. and Fleetwood, S. (eds.) Realist Perspectives on Management and Organisations*, London: Routledge pp. 3-25
- Ajzen, I. (1991) The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50 (2) pp. 179-211
- Alasuutari, P. (1996) Theorizing in Qualitative Research: A Cultural Studies Perspective. *Qualitative Inquiry*, 2 (4) pp. 371-384
- Aldrich, H. E. and Martinez, M. (2005) Entrepreneurship as Social Construction: A Multi-level Evolutionary Approach. *In: Acs, Z. J. and Audretsch, D. B. (eds.) Handbook of Entrepreneurship Research*: Springer US, pp. 359-399
- Allinson, G., Braidford, P., Houston, M. and Stone, I. (2013) *Understanding growth in microbusinesses* London: Department for Business, Innovation and Skills [Accessed Aug 7, 2013]
- Alstete, J. W. (2008) Aspects of entrepreneurial success. *Journal of Small Business and Enterprise Development*, 15 (3) pp. 584-594
- Álvarez, G. and Sinde-Cantorna, A. I. (2014) Self-employment and job satisfaction: an empirical analysis. *International Journal of Manpower*, 35 (5) pp. 688-702
- Amaral, A. M., Baptista, R. and Lima, F. (2009) Serial entrepreneurship: impact of human capital on time to re-entry. *Small Business Economics*, 37 pp. 1-21
- Amis, J. M. and Silk, M. L. (2008) The philosophy and politics of quality in qualitative organizational research. *Organizational Research Methods*, 11 (3) pp. 456-480
- Ammons, S. K. and Markham, W. T. (2004) Working at home: Experiences of skilled white collar workers. *Sociological Spectrum*, 24 (2) pp. 191-238
- Anderson, A. R. and Ullah, F. (2014) The condition of smallness; how what it means to be small deters firms from getting bigger. *Management Decision*, 52 (2) pp. 8-8
- Andersson, P. (2008) Happiness and health: Well-being among the self-employed. *Journal of Socio-Economics*, 37 (1) pp. 213-236
- Archer, M. S. (1995) *Realist social theory: the morphogenetic approach*, Cambridge: Cambridge University Press
- Archer, M. S., Bhaskar, R., Collier, A., Lawson, T. and Norrie, A. (eds.) (1998) *Critical Realism: Essential readings*, London: Routledge.
- Arenius, P. and Kovalainen, A. (2006) Similarities and Differences Across the Factors Associated with Women's Self-employment Preference in the Nordic Countries. *International Small Business Journal*, 24 (1) pp. 31-59
- Armitage, C. J. and Conner, M. (2001) Efficacy of the Theory of Planned Behaviour: A meta-analytic review. *British Journal of Social Psychology*, 40 (4) pp. 471-499
- Baert, P. (1996) Realist philosophy of the social sciences and economics: a critique. *Cambridge Journal of Economics*, 20 (5) pp. 513-522
- Bagheri, A. and Lope Pihie, Z. (2014) The moderating role of gender in shaping entrepreneurial intentions: Implications for vocational guidance. *International Journal for Educational and Vocational Guidance*, 14 (3) pp. 255-273
- Baines, S. (2002) New technologies and old ways of working in the home of the self-employed teleworker. *New Technology, Work and Employment*, 17 (2) pp. 89-101
- Baines, S. and Gelder, U. (2003) What is family friendly about the workplace in the home? The case of self-employed parents and their children. *New Technology, Work and Employment*, 18 (3) pp. 223-234
- Bandura, A. (2012) On the Functional Properties of Perceived Self-Efficacy Revisited. *Journal of Management*, 38 (1) pp. 9-44

- Bates, T. (1990) Entrepreneur Human Capital Inputs and Small Business Longevity. *The Review of Economics and Statistics*, 72 (4) pp. 551-559
- Baumol, W. J. (1990) Entrepreneurship: Productive, Unproductive, and Destructive. *Journal of Political Economy*, 98 (5, Part 1) pp. 893-921
- Bell, A. and La Valle, I. (2003) *Combining self-employment and family life*, Bristol: Policy Press
- Benz, M. and Frey, B. S. (2008) The value of doing what you like: Evidence from the self-employed in 23 countries. *Journal of Economic Behavior & Organization*, 68 (3-4) pp. 445-455
- Berglund, K. and Johansson, A. W. (2007) Constructions of entrepreneurship: a discourse analysis of academic publications. *Journal of Enterprising Communities: People and Places in the Global Economy*, 1 (1) pp. 77-102
- Berke, D. L. (2003) Coming Home Again. *Journal of Family Issues*, 24 (4) pp. 513-546
- Bhaskar, R. (1998) Philosophy and scientific realism. In: Archer, M. S., Bhaskar, R., Collier, A., Lawson, T. and Norrie, A. (eds.) *Critical Realism: Essential readings*, London: Routledge, pp. 16-47
- Binder, M. and Coad, A. (2013) Life satisfaction and self-employment: a matching approach. *Small Business Economics*, 40 (4) pp. 1009-1033
- Bird, B. (1988) Implementing Entrepreneurial Ideas: The Case for Intention. *The Academy of Management Review*, 13 (3) pp. 442-453
- Bird, B., Schjoedt, L. and Baum, J. R. (2012) Editor's Introduction. Entrepreneurs' Behavior: Elucidation and Measurement. *Entrepreneurship Theory and Practice*, 36 (5) pp. 889-913
- Birley, S. and Westhead, P. (1994) A taxonomy of business start-up reasons and their impact on firm growth and size. *Journal of Business Venturing*, 9 (1) pp. 7-31
- BIS (2010) *Backing Small Business* London: Department for Business, Innovation and Skills [Accessed Mar 3, 2012]
- BIS (2012) *Business Population estimates for the UK and Regions 2012* London: Department for Business, Innovation & Skills [Accessed Jun. 14, 2013]
- BIS (2014) *Backing for home-based business boom* [online]. Available: <https://www.gov.uk/government/news/backing-for-home-based-business-boom> [Accessed Dec 10, 2014]
- Blanchflower, D. G. (2004) Self-Employment: More may not be better. *National Bureau of Economic Research Working Paper Series*, No. 10286 pp.
- Block, J. and Koellinger, P. (2009) I Can't Get No Satisfaction—Necessity Entrepreneurship and Procedural Utility. *Kyklos*, 62 (2) pp. 191-209
- Blundel, R. (2007) Critical realism: a suitable vehicle for entrepreneurship research? In: Neergaard, H. and Ulhøi, J. P. (eds.) *Handbook of qualitative research methods in entrepreneurship*, Cheltenham: Edward Elgar Publishing Limited, pp. 49-74
- BMG Research (2013a) *Small Business Survey 2012: Businesses with No Employees* London: Department for Business, Innovation & Skills [Accessed Jun 14, 2013]
- BMG Research (2013b) *SME Business Barometer June 2013* London: Department for Business, Innovation and Skills [Accessed Aug 29, 2013]
- Bøllingtoft, A. (2007) A critical realist approach to quality in observation studies. In: Neergaard, H. and Ulhøi, J. P. (eds.) *Handbook of qualitative research methods in entrepreneurship*, Cheltenham: Edward Elgar Publishing, pp. 406-433
- Bouckennooghe, D., De Clercq, D., Willem, A. and Buelens, M. (2007) An assessment of validity in entrepreneurship research. *Journal of Entrepreneurship*, 16 (2) pp. 147-171
- Bourne, K. A. and Forman, P. J. (2013) Living in a Culture of Overwork: An Ethnographic Study of Flexibility. *Journal of Management Inquiry*, pp.
- British Telecommunications (2008) *State of the Small Business Nation* London: British Telecommunications plc [Accessed Aug 6, 2012]
- Bruyat, C. and Julien, P.-A. (2001) Defining the field of research in entrepreneurship. *Journal of Business Venturing*, 16 (2) pp. 165-180

- Bryant, S. (2000) At home on the electronic frontier: work, gender and the information highway. *New Technology, Work and Employment*, 15 (1) pp. 19-33
- Bryman, A. (2001) *Social Research Methods*, New York: Oxford University Press
- Bunk, J. A., Dugan, A. G., D'Agostino, A. L. and Barnes-Farrell, J. L. (2012) Understanding Work-to-Family Conflict among Self-employed Workers: Utilising a Cognitive Appraisal Framework. *Journal of Entrepreneurship*, 21 (2) pp. 223-251
- Burchell, B., Deakin, S. and Honey, S. (1999) *The employment status of individuals in non-standard employment* [Accessed Mar 29, 2012]
- Business Link (2012) *Starting a business from home* [online]. Available: <http://www.businesslink.gov.uk/bdotg/action/detail?itemId=1083765349&type=RESOURCES> [Accessed Jun 11, 2012]
- Buttner, E. H. and Moore, D. P. (1997) Women's Organizational Exodus to Entrepreneurship: Self-Reported Motivations and Correlates with Success. *Journal of Small Business Management*, 35 (1) pp. 34-46
- Bygrave, W. D. (1989) The Entrepreneurship Paradigm (I): A Philosophical Look at Its Research Methodologies. *Entrepreneurship: Theory & Practice*, 14 (1) pp. 7-26
- Caliendo, M. and Kritikos, A. (2012) Searching for the entrepreneurial personality: New evidence and avenues for further research. *Journal of Economic Psychology*, 33 (2) pp. 319-324
- Carland, J. W., Hoy, F., Boulton, W. R. and Carland, J. A. C. (1984) Differentiating Entrepreneurs from Small Business Owners: A Conceptualization. *The Academy of Management Review*, 9 (2) pp. 354-359
- Carree, M. A. and Thurik, R. (2005) The Impact of Entrepreneurship on Economic Growth. In: Acs, Z. J. and Audretsch, D. B. (eds.) *The Handbook of Entrepreneurship Research*, London: Kluwer Academic Publishers, pp. 437-471
- Carroll, G. R. (1993) A Sociological View on Why Firms Differ. *Strategic management journal*, 14 (4) pp. 237-249
- Carsrud, A. and Brännback, M. (2011) Entrepreneurial Motivations: What Do We Still Need to Know? *Journal of Small Business Management*, 49 (1) pp. 9-26
- Carsrud, A., Brännback, M., Elfving, J. and Brandt, K. (2009) Motivations: The Entrepreneurial Mind and Behavior. In: Carsrud, A. L. and Brännback, M. (eds.) *Understanding the Entrepreneurial Mind*, New York, NY: Springer New York, pp. 141-165
- Carter, N. M., Gartner, W. B., Shaver, K. G. and Gatewood, E. J. (2003) The career reasons of nascent entrepreneurs. *Journal of Business Venturing*, 18 (1) pp. 13-39
- Carter, S., Mason, C. and Tagg, S. (2004) *Lifting the Barriers to Growth in UK Small Businesses - The FSB Biennial Membership Survey* London: Federation of Small Businesses [Accessed Jul 17, 2012]
- Cassar, G. (2007) Money, money, money? A longitudinal investigation of entrepreneur career reasons, growth preferences and achieved growth. *Entrepreneurship & Regional Development*, 19 pp. 89-107
- Chandler, G. N. and Lyon, D. W. (2001) Issues of Research Design and Construct Measurement in Entrepreneurship Research: The Past Decade. *Entrepreneurship: Theory & Practice*, 25 (4) pp. 101-113
- Chase, S. E. (1995) Taking Narrative Seriously: Consequences for Method and Theory in Interview Studies. In: Josselson, R. and Lieblich, A. (eds.) *Interpreting Experience: The Narrative Study of Lives*, Thousand Oaks, CA: Sage Publications, Inc. , pp. 1-26
- Cifre, E., Martinez-Perez, D., Beas, I. and Llorens, S. (2002) Teleworking in Europe: some descriptive and research data. *New Information Technologies and Work Psychology: European trends towards fitting individual, job and organisational characteristics to new technology*, pp. 16-27
- Clarke, J., Holt, R. and Blundel, R. (2014) Re-imagining the growth process:(co)-evolving metaphorical representations of entrepreneurial growth. *Entrepreneurship & Regional Development*, (ahead-of-print) pp. 1-23

- Cohen, L. and Musson, G. (2000) Entrepreneurial Identities: Reflections from Two Case Studies. *Organization*, 7 (1) pp. 31-48
- Conservatives (2013) *Business Policy* [online]. Available: http://www.conservatives.com/Policy/Where_we_stand/Business.aspx [Accessed Aug 13, 2013]
- Cowling, M. (2003) *The contribution of the Self-Employed to Employment in the EU* London: Foundation for Entrepreneurial Management [Accessed Mar 26, 2012]
- Cragg, P. B. and King, M. (1988) Organizational Characteristics and Small Firms' Performance Revisited. *Entrepreneurship: Theory & Practice*, 13 (2) pp. 48-64
- Crant, J. M. (1996) The proactive personality scale as a predictor of entrepreneurial intentions. *Journal of Small Business Management*, 34 (3) pp.
- Cresswell, J. W. (2003) *Research Design: Qualitative, quantitative, and mixed methods*, Thousand Oaks, CA: Sage Publications, Inc.
- Crook, T. R., Shook, C. L., Morris, M. L. and Madden, T. M. (2010) Are we there yet? An assessment of research design and construct measurement practices in entrepreneurship research. *Organizational Research Methods*, 13 (1) pp. 192-206
- Cruickshank, J. (2004) *Critical Realism: the difference that it makes*: Routledge
- Cunningham, J. B. and Lischeron, J. (1991) Defining entrepreneurship. *Journal of Small Business Management*, 29 (1) pp. 45-61
- Dahl, M. S. and Sorenson, O. (2012) Home Sweet Home: Entrepreneurs' Location Choices and the Performance of Their Ventures. *Management Science*, 58 (6) pp. 1059-1071
- Danermark, B., Ekstrom, M., Jakobsen, L. and Karlsson, J. C. (2002) *Explaining Society: Critical realism in the social sciences*, New York, NY: Routledge
- Daniel, E. M., Domenico, M. D. and Sharma, S. (2014) Effectuation and home-based online business entrepreneurs. *International Small Business Journal*, pp.
- Dannhauser, C. L. (1999) Who's in the Home Office? (cover story). *American Demographics*, 21 (6) pp. 50
- Davidsson, P. (1995) Determinants of entrepreneurial intentions. In: RENT IX Workshop, 23-24 November 1995 Piacenza, Italy. <http://eprints.qut.edu.au/2076/> [Accessed Jul 27, 2012]
- Davidsson, P. and Honig, B. (2003) The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18 (3) pp. 301-331
- Dawson, C. and Henley, A. (2012) "Push" versus "pull" entrepreneurship: an ambiguous distinction? *International Journal of Entrepreneurial Behaviour & Research*, 18 (6) pp. 697-719
- de la Cruz Sánchez-Escobedo, M., Díaz-Casero, J., Díaz-Aunión, Á. and Hernández-Mogollón, R. (2014) Gender analysis of entrepreneurial intentions as a function of economic development across three groups of countries. *International Entrepreneurship and Management Journal*, 10 (4) pp. 747-765
- Delmar, F. and Wiklund, J. (2008) The Effect of Small Business Managers' Growth Motivation on Firm Growth: A Longitudinal Study. *Entrepreneurship: Theory & Practice*, 32 (3) pp. 437-457
- Dennis, W. J. (1996) Self-employment: When nothing else is available? *Journal of Labor Research*, 17 (4) pp. 645-661
- Dhaliwal, S. (2000) Entrepreneurship—a learning process: the experiences of Asian female entrepreneurs and women in business. *Education+ Training*, 42 (8) pp. 445-453
- Di Domenico, M. (2008) 'I'm Not Just a Housewife': Gendered Roles and Identities in the Home-Based Hospitality Enterprise. *Gender, Work & Organization*, 15 (4) pp. 313-332
- Doughty, N. (2011) *Fulfilling the Promise of British Enterprise - Interim Report* London: Labour Party [Accessed Mar 30, 2012]
- Douglas, E. (2009) Perceptions – Looking at the World Through Entrepreneurial Lenses. In: Carsrud, A. L. and Brännback, M. (eds.) *Understanding the Entrepreneurial Mind*, New York, NY: Springer New York, pp. 3-22

- Dwelly, T., Maguire, K. and Truscott, F. (2005) *Under the Radar: Tracking and supporting rural home based business* London: Commission for Rural Communities [Accessed Apr 12, 2012]
- Easterby-Smith, M., Golden-Biddle, K. and Locke, K. (2008) Working with pluralism determining quality in qualitative research. *Organizational Research Methods*, 11 (3) pp. 419-429
- Easton, G. (2010) Critical realism in case study research. *Industrial Marketing Management*, 39 (1) pp. 118-128
- Edwards, L. N. and Field-Hendrey, E. (1996) Home-based workers: data from the 1990 Census of Population. *Monthly Labor Review*, November pp. 26-34
- Eikhof, D. R., Summers, J. and Carter, S. (2013) 'Women Doing Their Own Thing': Media Representations of Working as a Female Entrepreneurship. *International Journal of Entrepreneurial Behaviour & Research*, 19 (5) pp. 6-6
- Eisenhardt, K. M. and Graebner, M. E. (2007) Theory building from cases: opportunities and challenges. *Academy of Management Journal*, 50 (1) pp. 25-32
- Ekinsmyth, C. (2011) Challenging the boundaries of entrepreneurship: The spatialities and practices of UK 'Mumpreneurs'. *Geoforum*, 42 pp. 104-114
- Ekinsmyth, C. (2013) Mothers' business, work/life and the politics of 'mumpreneurship'. *Gender, Place & Culture, (ahead-of-print)* pp. 1-19
- Ekström, M. (1992) Causal Explanation of Social Action. *Acta Sociologica (Taylor & Francis Ltd)*, 35 (2) pp. 107-122
- Elert, N. (2014) What determines entry? Evidence from Sweden. *The annals of regional science*, 53 (1) pp. 55-92
- Elfving, J. (2008) *Contextualizing Entrepreneurial Intentions*: Abo Akademi University Press
- Elfving, J., Brännback, M. and Carsrud, A. (2009) Toward A Contextual Model of Entrepreneurial Intentions. In: Carsrud, A. L. and Brännback, M. (eds.) *Understanding the Entrepreneurial Mind*, New York, NY: Springer New York, pp. 23-33
- Ellis, C. and Berger, L. (2002) Their Story/My Story/Our Story: Including the Researcher's Experience in Interview Research. In: Gubrium, J. F. a. H., J. A. (ed.) *Handbook of Interview Research* Thousand Oaks, CA: Sage Publications, Inc. , pp. 849-875
- Enterprise Nation (2009) *Home Business Report 2009* Shrewsbury: Redbrick Enterprises [Accessed Mar 30, 2012]
- Enterprise Nation (2014) *Home Business Report* London: Enterprise Nation [Accessed Nov 12, 2014]
- Experian (2010) *The Insight Report - Tomorrow's champions: finding the small business engines for economic growth* Nottingham: Experian [Accessed Mar 26, 2012]
- Farmer, S. M., Yao, X. and Kung-Mcintyre, K. (2011) The behavioral impact of entrepreneur identity aspiration and prior entrepreneurial experience. *Entrepreneurship Theory and Practice*, 35 (2) pp. 245-273
- Fayolle, A., Liñán, F. and Moriano, J. (2014) Beyond entrepreneurial intentions: values and motivations in entrepreneurship. *International Entrepreneurship and Management Journal*, pp. 1-11
- Feldman, D. C. and Bolino, M. C. (2000) Career Patterns of the Self-Employed: Career Motivations and Career Outcomes. *Journal of Small Business Management*, 38 (3) pp. 53-67
- Feldman, M. P. (2001) The entrepreneurial event revisited: firm formation in a regional context. *Industrial and corporate change*, 10 (4) pp. 861-891
- Felstead, A. (1996) Homeworking in Britain: The national picture in the mid-1990s. *Industrial Relations Journal*, 27 (3) pp. 225
- Felstead, A. and Jewson, N. (2000) *In work, at home: Towards an understanding of homeworking*, London: Routledge
- Felstead, A., Jewson, N., Phizacklea, A. and Walters, S. (2000) *A statistical portrait of working at home: Evidence from the Labour Force Survey* London: Centre for Labour Market Studies, University of Leicester [Accessed Jun 22, 2012]

- Felstead, A., Jewson, N., Phizacklea, A. and Walters, S. (2002) Opportunities to work at home in the context of work-life balance. *Human Resource Management Journal*, 12 (1) pp. 54-76
- Fisher, R., Maritz, A. and Lobo, A. (2014) Evaluating entrepreneurs' perception of success: Development of a measurement scale. *International Journal of Entrepreneurial Behaviour & Research*, 20 (5) pp. 478-492
- Fleetwood, S. (2004) An ontology for organisation and management studies. In: Fleetwood, S. and Ackroyd, S. (eds.) *Critical Realist Applications in Organisation and Management Studies*, London: Routledge, pp. 27-53
- Fleetwood, S. and Ackroyd, S. (2004) *Critical Realist Applications in Organisation and Management Studies*, London: Routledge
- Folmer, E. (2014) Entrepreneurship in the neighbourhood: shifting patterns of economic activities in residential neighbourhoods in five Dutch cities. *Journal of Urban Affairs*, 36 (4) pp. 742-759
- Gabrielsson, J. and Politis, D. (2012) Work experience and the generation of new business ideas among entrepreneurs—an integrated learning framework. *International Journal of Entrepreneurial Behaviour & Research*, 18 (1) pp. 3-3
- Galloway, L. and Kelly, S. W. (2009) Identifying entrepreneurial potential? An investigation of the identifiers and features of entrepreneurship. *International Review of Entrepreneurship*, 7 (4) pp. 303-326
- Galloway, L. and Mochrie, R. (2006) Entrepreneurial motivation, orientation and realization in rural economies: A study of rural Scotland. *The International Journal of Entrepreneurship and Innovation*, 7 (3) pp. 173-183
- Gartner, W. B. (1989) "Who is an Entrepreneur?" is the wrong question. *Entrepreneurship: Theory & Practice*, 13 (4) pp. 47-67
- Gartner, W. B. and Birley, S. (2002) Introduction to the special issue on qualitative methods in entrepreneurship research. *Journal of Business Venturing*, 17 (5) pp. 387-395
- Gatewood, E. J., Shaver, K. G. and Gartner, W. B. (1995) A longitudinal study of cognitive factors influencing start-up behaviors and success at venture creation. *Journal of Business Venturing*, 10 (5) pp. 371-391
- Gielnik, M. M., Barabas, S., Frese, M., Namatovu-Dawa, R., Scholz, F. A., Metzger, J. R. and Walter, T. (2013) A temporal analysis of how entrepreneurial goal intentions, positive fantasies, and action planning affect starting a new venture and when the effects wear off. *Journal of Business Venturing*, pp.
- Gilad, B. and Levine, P. (1986) A BEHAVIORAL MODEL OF ENTREPRENEURIAL SUPPLY. *Journal of Small Business Management*, 24 (4) pp. 45-53
- Gimeno, J., Folta, T. B., Cooper, A. C. and Woo, C. Y. (1997) Survival of the Fittest? Entrepreneurial Human Capital and the Persistence of Underperforming Firms. *Administrative Science Quarterly*, 42 (4) pp. 750-783
- Gotlieb, J. B., Grewal, D. and Brown, S. W. (1994) Consumer satisfaction and perceived quality: Complementary or divergent constructs? *Journal of Applied Psychology*, 79 (6) pp. 875-885
- Grant, P. and Perren, L. (2002) Small business and entrepreneurial research meta-theories, paradigms and prejudices. *International Small Business Journal*, 20 (2) pp. 185-211
- Greenbank, P. (2001) Objective setting in the micro-business. *International Journal of Entrepreneurial Behaviour & Research*, 7 (3) pp. 108-127
- Greenhaus, J. H. and Powell, G. N. (2006) When work and family are allies: A theory of work-family enrichment. *The Academy of Management Review*, 31 (1) pp. 72-92
- Groff, R. (2004) *Critical Realism, Post-positivism and the Possibility of Knowledge*, London: Routledge
- Guerrero, M., Rialp, J. and Urbano, D. (2008) The impact of desirability and feasibility on entrepreneurial intentions: A structural equation model. *International Entrepreneurship and Management Journal*, 4 (1) pp. 35-50

- Haber, S. and Reichel, A. (2005) Identifying Performance Measures of Small Ventures—The Case of the Tourism Industry. *Journal of Small Business Management*, 43 (3) pp. 257-286
- Headd, B. (2003) Redefining Business Success: Distinguishing Between Closure and Failure. *Small Business Economics*, 21 (1) pp. 51-61
- Hee Yeon, K. and Jae-Eun, C. (2011) Consumer purchase intention for organic personal care products. *Journal of Consumer Marketing*, 28 (1) pp. 40-47
- Hemming, M. (2011) *Self-employment - Stimulating economic growth* Blackpool: Federation of Small Businesses [Accessed Mar 27, 2012]
- Hessels, J., Gelderen, M. and Thurik, R. (2008) Entrepreneurial aspirations, motivations, and their drivers. *Small Business Economics*, 31 (3) pp. 323-339
- Hill, E. J., Ferris, M. and Mårtinson, V. (2003) Does it matter where you work? A comparison of how three work venues (traditional office, virtual office, and home office) influence aspects of work and personal/family life. *Journal of Vocational Behavior*, 63 (2) pp. 220-241
- Hindle, K. (2004) Choosing qualitative methods for entrepreneurial cognition research: a canonical development approach. *Entrepreneurship Theory and Practice*, 28 (6) pp. 575-607
- Hlady-Rispal, M. and Jouison-Laffitte, E. (2014) Qualitative Research Methods and Epistemological Frameworks: A Review of Publication Trends in Entrepreneurship. *Journal of Small Business Management*, pp. n/a-n/a
- Hofer, C. W. and Sandberg, W. R. (1987) Improving New Venture Performance: Some Guidelines for Success. *American Journal of Small Business*, 12 (1) pp. 11-25
- Hollis, M. (1994) *The philosophy of social science: an introduction*, Cambridge: University of Cambridge
- Holmes, S., Smith, S. and Cane, G. (1997) Gender issues in home-based business operation and training: an Australian overview. *Women In Management Review*, 12 (2) pp. 68-73
- Hughes, K. D. (2003) Pushed or Pulled? Women's Entry into Self-Employment and Small Business Ownership. *Gender, Work & Organization*, 10 (4) pp. 433-454
- Hundley, G. (2001) Why and When Are the Self-Employed More Satisfied with Their Work? *Industrial Relations: A Journal of Economy and Society*, 40 (2) pp. 293-316
- IFF Research (2011) *BIS Small Business Survey 2010* Sheffield: BIS Enterprise Directorate [Accessed Mar 30, 2012]
- Ireland, R. D., Webb, J. W. and Coombs, J. E. (2005) Theory and methodology in entrepreneurship research. *Research methodology in strategy and management*, 2 pp. 111-141
- Jaffa, M. and Cave, A. (2011) *An agenda for stability and growth* Federation of Small Businesses [Accessed Mar 30, 2012]
- Jaouen, A. and Lasch, F. (2013) A new typology of micro-firm owner-managers. *International Small Business Journal*, pp. 0266242613498789
- Jennings, J. E. and McDougald, M. S. (2007) Work-family interface experiences and coping strategies: Implications for entrepreneurship research and practice. *The Academy of Management Review*, 32 (3) pp. 747-760
- Jennings, P. L., Perren, L. and Carter, S. (2005) Guest Editors' Introduction: Alternative Perspectives on Entrepreneurship Research. *Entrepreneurship: Theory & Practice*, 29 (2) pp. 145-152
- Johnson, B. R. (1990) Toward a multidimensional model of entrepreneurship: The case of achievement motivation and the entrepreneur. *Entrepreneurship Theory and Practice*, 14 (3) pp. 39-54
- Johnson, J. M. (2002) In-depth Interviewing. In: Gubrium, J. F. a. H., J. A. (ed.) *Handbook of Interview Research* Thousand Oaks, CA: Sage Publications, Inc. , pp. 103-119
- Jones, C. and Spicer, A. (2005) The Sublime Object of Entrepreneurship. *Organization*, 12 (2) pp. 223-246

- Jones, E. (2012) *The Home Business Guide: A Guide to Starting and Growing a Business from Home* London: Department for Business Innovation & Skills [Accessed Jun 14, 2013]
- Jones, M. (2009) 'Confessions of a kitchen table tycoon', *Red*, April 2009, pp. 89-90
- Jones, P., Simmons, G., Packham, G., Beynon-Davies, P. and Pickernell, D. (2012) An exploration of the attitudes and strategic responses of sole-proprietor micro-enterprises in adopting information and communication technology. *International Small Business Journal*, 32 (3) pp. 285-306
- Jurik, N. C. (1998) Getting Away and Getting By. *Work and Occupations*, 25 (1) pp. 7-35
- Kalleberg, A. L. and Leicht, K. T. (1991) Gender and Organizational Performance: Determinants of Small Business Survival and Success. *The Academy of Management Journal*, 34 (1) pp. 136-161
- Kalliath, T. and Brough, P. (2008) Work-life balance: A review of the meaning of the balance construct. *Journal of Management and Organization*, 14 (3) pp. 323-327
- Kao, R. W. Y. (1993) Defining Entrepreneurship: Past, Present and ? *Creativity & Innovation Management*, 2 (1) pp. 69-70
- Kapasi, I. and Galloway, L. (2015) Work-life balance in home-based businesses: A UK study. *International Journal of Entrepreneurship and Innovation*, 16 (1) pp. 33-42
- Katz, J. and Gartner, W. B. (1988) Properties of emerging organisations. *Academy of Management Review*, 13 (3) pp. 429-441
- Katz, J. A. (1990) Longitudinal analysis of self-employment follow-through. *Entrepreneurship & Regional Development*, 2 (1) pp. 15-26
- Kautonen, T., van Gelderen, M. and Tornikoski, E. T. (2011) Predicting entrepreneurial behaviour: a test of the theory of planned behaviour. *Applied Economics*, 45 (6) pp. 697-707
- Keats, B. W. and Bracker, J. S. (1988) Toward a Theory of Small Firm Performance: A Conceptual Model. *American Journal of Small Business*, 12 (4) pp. 41-58
- Kirkwood, J. and Tootell, B. (2008) Is entrepreneurship the answer to achieving work-family balance? *Journal of Management and Organization*, 14 (3) pp. 285-302
- Kitching, J. and Smallbone, D. (2012) Are freelancers a neglected form of small business? *Journal of Small Business and Enterprise Development*, 19 (1) pp. 74-91
- Kiviluoto, N. (2013) Growth as evidence of firm success: myth or reality? *Entrepreneurship & Regional Development*, (ahead-of-print) pp. 1-18
- Kolvereid, L. (1996) Prediction of employment status choice intentions. *Entrepreneurship Theory and Practice*, 21 (1) pp. 47-58
- Kolvereid, L. and Isaksen, E. (2006) New business start-up and subsequent entry into self-employment. *Journal of Business Venturing*, 21 (6) pp. 866-885
- Krueger, J. N. F. and Carsrud, A. L. (1993) Entrepreneurial intentions: applying the theory of planned behaviour. *Entrepreneurship & Regional Development*, 5 (4) pp. 315-330
- Krueger Jr, N. F., Reilly, M. D. and Carsrud, A. L. (2000) Competing models of entrepreneurial intentions. *Journal of business venturing*, 15 (5-6) pp. 411-432
- Krueger, N. F. (2005) The Cognitive Psychology of Entrepreneurship. In: Acs, Z. J. and Audretsch, D. B. (eds.) *Handbook of Entrepreneurship Research*, New York: Springer-Verlag, pp. 105-140
- Krueger, N. F. and Brazeal, D. V. (1994) Entrepreneurial potential and potential entrepreneurs. *Entrepreneurship Theory and Practice*, 18 pp. 91-91
- Krueger, N. F., Reilly, M. D. and Carsrud, A. L. (2000) Competing models of entrepreneurial intentions. *Journal of Business Venturing*, 15 (5-6) pp. 411-432
- Kujala, S., Artto, K., Aaltonen, P. and Turkulainen, V. (2010) Business models in project-based firms-Towards a typology of solution-specific business models. *International Journal of Project Management*, 28 (2) pp. 96-106
- Kuratko, D. F., Hornsby, J. S. and Naffziger, D. W. (1997) An Examination of Owner's Goals in Sustaining Entrepreneurship. *Journal of Small Business Management*, 35 (1) pp. 24-33
- Landstrom, H., Harirchi, G. and Astrom, F. (2012) Entrepreneurship: Exploring the knowledge base. *Research Policy*, In print pp.

- Leca, B. and Naccache, P. (2006) A critical realist approach to institutional entrepreneurship. *Organization*, 13 (5) pp. 627-651
- Lee, L., Wong, P. K., Foo, M. D. and Leung, A. (2011) Entrepreneurial intentions: The influence of organizational and individual factors. *Journal of Business Venturing*, 26 (1) pp. 124-136
- Lee, R. and Jones, O. (2008) Networks, Communication and Learning during Business Start-up The Creation of Cognitive Social Capital. *International Small Business Journal*, 26 (5) pp. 559-594
- Leitch, C. M., Hill, F. M. and Harrison, R. T. (2010) The Philosophy and Practice of Interpretivist Research in Entrepreneurship Quality, Validation, and Trust. *Organizational Research Methods*, 13 (1) pp. 67-84
- Lent, R. W., Brown, S. D. and Hackett, G. (1994) Toward a unifying social cognitive theory of career and academic interest, choice, and performance. *Journal of Vocational Behavior*, 45 (1) pp. 79-122
- Lévesque, M., Shepherd, D. A. and Douglas, E. J. (2002) Employment or self-employment: A dynamic utility-maximizing model. *Journal of Business Venturing*, 17 (3) pp. 189-210
- Levie, J. (2012) *Global Entrepreneurship Monitor: Scotland 2012* University of Strathclyde Business School [Accessed Feb 12, 2014]
- Levie, J. and Lichtenstein, B. B. (2010) A Terminal Assessment of Stages Theory: Introducing a Dynamic States Approach to Entrepreneurship. *Entrepreneurship: Theory & Practice*, 34 (2) pp. 317-350
- Lin, S. and Si, S. (2014) Factors affecting peasant entrepreneurs' intention in the Chinese context. *International Entrepreneurship and Management Journal*, 10 (4) pp. 803-825
- Liñán, F., Nabi, F. and Krueger, N. F. (2013) British and Spanish entrepreneurial intentions: A comparative study. *reviSta de economía mundial*, 33 pp. 73-103
- Liñán, F., Santos, F. and Fernández, J. (2011) The influence of perceptions on potential entrepreneurs. *International Entrepreneurship and Management Journal*, 7 (3) pp. 373-390
- Littunen, H. (2000) Entrepreneurship and the characteristics of the entrepreneurial personality. *International Journal of Entrepreneurial Behaviour & Research*, 6 (6) pp. 295-310
- Locke, E. A. and Latham, G. P. (2002) Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American Psychologist*, 57 (9) pp. 705-705
- Locke, E. A. and Latham, G. P. (2004) What should we do about motivation theory? Six recommendations for the twenty-first century. *The Academy of Management Review*, pp. 388-403
- Lord Young (2013) *Growing your Business: A report on growing micro businesses* London: Department for Business, Innovation & Skills [Accessed Jun 14, 2013]
- Loscocco, K. and Bird, S. R. (2012) Gendered Paths Why Women Lag Behind Men in Small Business Success. *Work and Occupations*, 39 (2) pp. 183-219
- Loscocco, K. and Smith-Hunter, A. (2004) Women home-based business owners: insights from comparative analyses. *Women In Management Review*, 19 (3) pp. 164-173
- Mair, J. and Noboa, E. (2003) Social entrepreneurship: how intentions to create a social enterprise get formed. *IESE Paper: D-521-E*, pp.
- Manicas, P. T. (2006) *A Realist Philosophy of Social Science*, Cambridge: Cambridge University Press
- Manolova, T. S., Brush, C. G., Edelman, L. F. and Shaver, K. G. (2012) One size does not fit all: Entrepreneurial expectancies and growth intentions of US women and men nascent entrepreneurs. *Entrepreneurship and regional development*, 24 (1-2) pp. 7-27
- Marlow, S. and Strange, A. (1994) Female entrepreneurs - success by whose standards? In: Tanton, M. (ed.) *Women in Management: A Developing Presence*, London: Routledge, pp. 172-184
- Marshall, C. and Rossman, G. B. (1999) *Designing qualitative research*, Thousand Oaks, CA: Sage Publications, Inc.

- Mason, C. (2010) Home-based businesses: Challenging their Cinderella status. *Small Enterprise Research Journal*, 17 (2) pp. 104-111
- Mason, C. M., Carter, S. and Tagg, S. (2011) Invisible Businesses: The Characteristics of Home-based Businesses in the United Kingdom. *Regional Studies*, 45 (5) pp. 625-639
- Mason, C. M. and Reuschke, D. (2015) *Home Truths: The true value of home-based businesses* Glasgow: Federation of Small Businesses [Accessed Feb 26, 2015]
- Maxwell, G., Rankine, L., Bell, S. and MacVicar, A. (2007) The incidence and impact of flexible working arrangements in smaller businesses. *Employee Relations*, 29 (2) pp. 138-161
- McGee, J. E., Peterson, M., Mueller, S. L. and Sequeira, J. M. (2009) Entrepreneurial Self-Efficacy: Refining the Measure. *Entrepreneurship Theory and Practice*, 33 (4) pp. 965-988
- McGowan, P., Redeker, C. L., Cooper, S. Y. and Greenan, K. (2011) Female entrepreneurship and the management of business and domestic roles: Motivations, expectations and realities. *Entrepreneurship & Regional Development*, 24 (1-2) pp. 53-72
- McKenzie, B. (2007) Techniques for collecting verbal histories In: Neergaard, H. and Ulhoi, J. P. (eds.) *Handbook of qualitative research methods in entrepreneurship*, Cheltnam: Edward Elgar Publishing, pp. 308-330
- Miles, M. B., Huberman, A. M. and Saldana, J. (2014) *Qualitative Data Analysis: A Methods Sourcebook*, Thousand Oaks, CA: SAGE Publications, Inc.
- Millan, J. M., Congregado, E. and Roman, C. (2012) Determinants of self-employment survival in Europe. *Small Business Economics*, 38 (2) pp. 231-258
- Miralles, F., Riverola, C. and Giones, F. (2012) Analysing Nascent Entrepreneurs' Behaviour through Intention-Based Models. In: 7th European Conference on Innovation and Entrepreneurship, 20-21 September 2012 Santarem, Portugal. 482-491. http://blogs.salleurl.edu/itmanagement/files/2012/10/MirallesRiverolaGiones_ECIE_AnalysingNascentEntrepreneursBehaviour_v2-03.pdf [Accessed Oct 23, 2013]
- Mishler, E. G. (1991) *Research interviewing: Context and narrative*, Cambridge, MA: Harvard University Press
- Mochrie, R., Galloway, L. and Donnelly, E. (2006) Attitudes to growth and experience of growth among Scottish SMEs. *International Journal of Entrepreneurial Behaviour & Research*, 12 (1) pp. 7-20
- Mole, K. and Ram, M. (eds.) (2012) *Perspectives in Entrepreneurship: A Critical Approach*, Basingstoke: Palgrave Macmillan.
- Mole, K. F. and Mole, M. (2010) Entrepreneurship as the structuration of individual and opportunity: A response using a critical realist perspective Comment on Sarason, Dean and Dillard. *Journal of Business Venturing*, 25 (2) pp. 230-237
- Moore, J. (2006) Homeworking and work-life balance: does it add to quality of life? *Revue europeenne de psychologie appliquee*, 56 pp. 5-13
- Mueller, P., van Stel, A. and Storey, D. (2008) The effects of new firm formation on regional development over time: The case of Great Britain. *Small Business Economics*, 30 (1) pp. 59-71
- Mullen, M. R., Budeva, D. G. and Doney, P. M. (2009) Research Methods in the Leading Small Business–Entrepreneurship Journals: A Critical Review with Recommendations for Future Research. *Journal of Small Business Management*, 47 (3) pp. 287-307
- Mustafa, M. and Gold, M. (2013) 'Chained to my work'? Strategies to manage temporal and physical boundaries among self-employed teleworkers. *Human Resource Management Journal*, 23 (4) pp. 413-429
- Naffziger, D. W., Hornsby, J. S. and Kuratko, D. F. (1994) A Proposed Research Model of Entrepreneurial Motivation. *Entrepreneurship: Theory & Practice*, 18 (3) pp. 29-42
- Nansen, B., Arnold, M., Gibbs, M. and Davis, H. (2010) Time, space and technology in the working-home: an unsettled nexus. *New Technology, Work and Employment*, 25 (2) pp. 136-153

- Neergaard, H. (2007) Sampling in entrepreneurial settings. In: Neergaard, H. and Ulhoi, J. P. (eds.) *Handbook of qualitative research methods in entrepreneurship*, Cheltnam: Edward Elgar Publishing, pp. 253-278
- Neergaard, H. and Ulhoi, J. P. (2007) *Handbook of qualitative research methods in entrepreneurship*, Cheltnam: Edward Elgar Publishing
- Newbery, R. and Bosworth, G. (2010) Home-based business sectors in the rural economy. *Society and Business Review*, 5 (2) pp. 183-197
- Nieß, C. and Biemann, T. (2014) The Role of Risk Propensity in Predicting Self-Employment. *Journal of Applied Psychology*, 99 (5) pp. 1000-1009
- Notani, A. S. (1998) Moderators of Perceived Behavioral Control's Predictiveness in the Theory of Planned Behavior: A Meta-Analysis. *Journal of Consumer Psychology (Lawrence Erlbaum Associates)*, 7 (3) pp. 247-247
- O'Boyle, E. H., Rutherford, M. W. and Banks, G. C. (2014) Publication bias in entrepreneurship research: An examination of dominant relations to performance. *Journal of Business Venturing*, 29 (6) pp. 773-784
- Obschonka, M., Silbereisen, R. K. and Schmitt-Rodermund, E. (2010) Entrepreneurial intention as developmental outcome. *Journal of Vocational Behaviour*, 77 (1) pp. 63-72
- OECD (2010) *High-Growth Enterprises: What Governments Can Do to Make a Difference* OECD Studies on SMEs and Entrepreneurship [Accessed Mar 14, 2012]
- Office for National Statistics (2007) *UK Standard Industrial Classification 2007 (UK SIC 2007)* [online]. Available: <http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/standard-industrial-classification/index.html> [Accessed Feb 12, 2014]
- Ogbor, J. O. (2000) Mythicizing and reification in entrepreneurial discourse: Ideology-critique of entrepreneurial studies. *Journal of Management Studies*, 37 (5) pp. 605-635
- Ogden, J. (2003) Some problems with social cognition models: A pragmatic and conceptual analysis. *Health Psychology*, 22 (4) pp. 424-428
- Orhan, M. and Scott, D. (2001) Why women enter into entrepreneurship: an explanatory model. *Women In Management Review*, 16 (5) pp. 232-243
- Parasuraman, S., Purohit, Y. S., Godshalk, V. M. and Beutell, N. J. (1996) Work and Family Variables, Entrepreneurial Career Success, and Psychological Well-Being. *Journal of Vocational Behavior*, 48 (3) pp. 275-300
- Parasuraman, S. and Simmers, C. A. (2001) Type of employment, work-family conflict and well-being: a comparative study. *Journal of Organizational Behavior*, 22 (5) pp. 551-568
- Patzelt, H. and Shepherd, D. A. (2011) Negative emotions of an entrepreneurial career: Self-employment and regulatory coping behaviors. *Journal of Business Venturing*, 26 (2) pp. 226-238
- Perren, L. and Jennings, P. L. (2005) Government Discourses on Entrepreneurship: Issues of Legitimization, Subjugation, and Power. *Entrepreneurship: Theory & Practice*, 29 (2) pp. 173-184
- Perugini, M. and Bagozzi, R. P. (2001) The role of desires and anticipated emotions in goal-directed behaviours: Broadening and deepening the theory of planned behaviour. *British Journal of Social Psychology*, 40 (1) pp. 79-98
- Peterman, N. E. and Kennedy, J. (2003) Enterprise education: Influencing students' perceptions of entrepreneurship. *Entrepreneurship Theory and Practice*, 28 (2) pp. 129-144
- Phillips, B. D. (2002) Home-based firms, E-commerce, and high-technology small firms: Are they related? *Economic Development Quarterly*, 16 (1) pp. 39-48
- Praag, C. M. V. and Ophem, H. V. (1995) Determinants of Willingness and Opportunity to Start as an Entrepreneur. *Kyklos*, 48 (4) pp. 513-540
- Pratt, J. H. (1987) Methodological problems in surveying the home-based workforce. *Technological Forecasting and Social Change*, 31 (1) pp. 49-60
- Quan, X. (2012) Prior experience, social network, and levels of entrepreneurial intentions. *Management Research Review*, 35 (10) pp. 945-957

- Raymond, L., Marchand, M., St-Pierre, J., Cadieux, L. and Labelle, F. (2013) Dimensions of small business performance from the owner-manager's perspective: a re-conceptualization and empirical validation. *Entrepreneurship & Regional Development*, 25 (5-6) pp. 468-499
- Redman, T., Snape, E. and Ashurst, C. (2009) Location, Location, Location: Does Place of Work Really Matter? *British Journal of Management*, 20 pp. S171-S181
- Redmond, J., Valiulis, M. and Drew, E. (2006) *Literature review of issues related to work-life balance, workplace culture and maternity/childcare issues* Dublin: Crisis Pregnancy Agency [Accessed Jul 9, 2012]
- Reed, M. I. (2000) In praise of duality and dualism: Rethinking agency and structure in organisational analysis. In: Ackroyd, S. and Fleetwood, S. (eds.) *Realist Perspectives on Management and Organisations*, London: Routledge pp. 45-65
- Rehn, A., Brännback, M., Carsrud, A. and Lindahl, M. (2013) Challenging the myths of entrepreneurship? *Entrepreneurship & Regional Development*, (ahead-of-print) pp. 1-9
- Robichaud, Y., McGraw, E. and Roger, A. (2001) Toward the Development of a Measuring Instrument for Entrepreneurial Motivation. *Journal of Developmental Entrepreneurship*, 6 (2) pp. 189
- Rogoff, E. G., Lee, M. S. and Suh, D. C. (2004) "Who done it?" Attributions by entrepreneurs and experts of the factors that cause and impede small business success. *Journal of Small Business Management*, 42 (4) pp. 364-376
- Rosenberg, A. (1988) *Philosophy of Social Science*, Boulder, CO: Westview Press, Inc.
- Rotemberg-Shir, N. (2010) A position note on well-being and self-employment. *Working Paper Series in Business Administration*, pp. 1-17
- Rotemberg-Shir, N. and Wennberg, K. (2011) A Contingency model of Entrepreneurial Entry Strategies: The role of Motivation and Resource Availability. In, 2011 Stockholm. <http://www.icsb2011.org/download/18.62efe22412f41132d41800012762/173.pdf> [Accessed Jul 7, 2012]
- Rowe, B. R., Haynes, G. W. and Stafford, K. (1999) The contribution of home-based business income to rural and urban economies. *Economic Development Quarterly*, 13 (1) pp. 66-77
- Ruiz, Y. and Walling, A. (2005) *Home-based working using communication technologies* London: Office for National Statistics, [Accessed Mar 27, 2012]
- Saunders, M., Lewis, P. and Thornhill, A. (2003) *Research Methods for Business Students*, Harlow: Pearson Education Limited
- Saunders, P. (1989) The meaning of 'home' in contemporary english culture. *Housing Studies*, 4 (3) pp. 177-192
- Sayer, A. (1992) *Method in Social Science: A realist approach*, Oxon: Routledge
- Schjoedt, L. and Shaver, K. G. (2012) Development and validation of a locus of control scale for the entrepreneurship domain. *Small Business Economics*, 39 (3) pp. 713-726
- Schlaegel, C. and Koenig, M. (2014) Determinants of Entrepreneurial Intent: A Meta-Analytic Test and Integration of Competing Models. *Entrepreneurship Theory and Practice*, 38 (2) pp. 291-332
- Schneck, S. (2014) Why the self-employed are happier: Evidence from 25 European countries. *Journal of Business Research*, 67 (6) pp. 1043-1048
- Schutjens, V. A. J. M. and Wever, E. (2000) Determinants of new firm success. *Papers in Regional Science*, 79 (2) pp. 135-159
- Scottish Enterprise (2012) *Business Plan 2012-15* Glasgow: Scottish Enterprise [Accessed Apr 12, 2012]
- Segal, G., Borgia, D. and Schoenfeld, J. (2005) The motivation to become an entrepreneur. *International Journal of Entrepreneurial Behaviour & Research*, 11 (1) pp. 42-57
- Segers, J., Inceoglu, I., Vloeberghs, D., Bartram, D. and Henderickx, E. (2008) Protean and boundaryless careers: A study on potential motivators. *Journal of Vocational Behavior*, 73 (2) pp. 212-230

- Serida Nishimura, J. and Morales Tristán, O. (2011) Using the theory of planned behavior to predict nascent entrepreneurship. *Academia Revista Latinoamericana de Administración*, **(46)** pp. 55-71
- Shane, S., Locke, E. A. and Collins, C. J. (2003) Entrepreneurial motivation. *Human resource management review*, **13** **(2)** pp. 257-279
- Shane, S. and Venkataraman, S. (2000) The Promise of Entrepreneurship as a Field of Research. *The Academy of Management Review*, **25** **(1)** pp. 217-226
- Shapero, A. and Sokol, L. (1982) The Social Dimensions of Entrepreneurship. *Encyclopedia of Entrepreneurship*, Englewood Cliffs: Prentice-Hall, Inc., pp. 72-90
- Shaver, K. G. and Scott, L. R. (1991) Person, process, choice: The psychology of new venture creation. *Entrepreneurship Theory and Practice*, **16** **(2)** pp. 23-45
- Shaw, H. G., Shaw, A. S. and Trache, H. (2000) The homeworking revolution: Considering the property dimension. *Regional Studies*, **34** **(3)** pp. 303-307
- Sheeran, P., Trafimow, D. and Armitage, C. J. (2003) Predicting behaviour from perceived behavioural control: Tests of the accuracy assumption of the theory of planned behaviour. *British Journal of Social Psychology*, **42** **(3)** pp. 393-410
- Shepherd, D. and Douglas, E. (1997) Entrepreneurial attitudes and intentions in career decision makers. *Paper at ICSB*, pp.
- Shook, C. L., Priem, R. L. and McGee, J. E. (2003) Venture creation and the enterprising individual: A review and synthesis. *Journal of Management*, **29** **(3)** pp. 379-399
- Simón-Moya, V., Revuelto-Taboada, L. and Ribeiro-Soriano, D. (2012) Are success and survival factors the same for social and business ventures? *Service Business*, **6** **(2)** pp. 219-242
- Simpson, M., Padmore, J. and Newman, N. (2012) Towards a new model of success and performance in SMEs. *International Journal of Entrepreneurial Behaviour & Research*, **18** **(3)** pp. 264-285
- Sirohi, N., McLaughlin, E. W. and Wittink, D. R. (1998) A Model of Consumer Perceptions and Store Loyalty Intentions for a Supermarket Retailer. *Journal of Retailing*, **74** **(2)** pp. 223-245
- Sitzmann, T. and Yeo, G. (2013) A Meta-Analytic Investigation of the Within-Person Self-Efficacy Domain: Is Self-Efficacy a Product of Past Performance or a Driver of Future Performance? *Personnel Psychology*, **66** **(3)** pp. 531-568
- Soldressen, L. S., Fiorito, S. S. and He, Y. (1998) An exploration into home-based businesses: Data from textile artists. *Journal of Small Business Management*, **36** **(2)** pp. 33-44
- Soriano, D. and Castrogiovanni, G. (2012) The impact of education, experience and inner circle advisors on SME performance: insights from a study of public development centers. *Small Business Economics*, **38** **(3)** pp. 333-349
- Souitaris, V., Zerbinati, S. and Al-Laham, A. (2007) Do entrepreneurship programmes raise entrepreneurial intention of science and engineering students? The effect of learning, inspiration and resources. *Journal of Business Venturing*, **22** **(4)** pp. 566-591
- Stajkovic, A. D. and Luthans, F. (1998) Social cognitive theory and self-efficacy: Going beyond traditional motivational and behavioral approaches. *Organizational Dynamics*, **26** **(4)** pp. 62-74
- Stanger, A. M. (2000a) *Determinants of home-based business sales performance* Australia: Flinders University [Accessed Jan 6, 2015]
- Stanger, A. M. (2000b) *Home-based business marginality: a review of home-based business performance and its determinants* Australia: Flinders University [Accessed Jan 6, 2015]
- Steel, P. and Konig, C. J. (2006) INTEGRATING THEORIES OF MOTIVATION. *The Academy of Management Review ARCHIVE*, **31** **(4)** pp. 889-913
- Steele, C. M. (1997) A threat in the air: How stereotypes shape intellectual identity and performance. *American Psychologist*, **52** **(6)** pp. 613-629
- Stefanovic, I., Prokic, S. and Rankovic, L. (2010) Motivational and success factors of entrepreneurs: The evidence from a developing country. *Zb. rad. Ekon. fak. Rij*, **28** **(2)** pp. 251-269

- Steyaert, C. and Katz, J. (2004) Reclaiming the space of entrepreneurship in society: geographical, discursive and social dimensions. *Entrepreneurship & Regional Development: An International Journal*, 16 (3) pp. 179-196
- Sullivan, C. (2003) What's in a name? Definitions and conceptualisations of teleworking and homeworking. *New Technology, Work and Employment*, 18 (3) pp. 158-165
- Swail, J., Down, S. and Kautonen, T. (2014) Examining the effect of 'entre-tainment' as a cultural influence on entrepreneurial intentions. *International Small Business Journal*, 32 (8) pp. 859-875
- Tang, J., Tang, Z. and Lohrke, F. T. (2008) Developing an entrepreneurial typology: the roles of entrepreneurial alertness and attributional style. *International Entrepreneurship and Management Journal*, 4 (3) pp. 273-294
- Taylor, M. P. (1996) Earnings, independence or unemployment: why become self-employed? . *Oxford Bulletin of Economics & Statistics*, 58 (2) pp. 253-253
- Tedmanson, D., Verduyn, K., Essers, C. and Gartner, W. B. (2012) Critical perspectives in entrepreneurship research. *Organization*, 19 (5) pp. 531-541
- The Economist (2012) *Free exchange: Decline and small* [online]. Available: <http://www.economist.com/node/21548923> [Accessed Mar 13, 2012]
- The Scottish Government (2011) *The (Scottish) Government Economic Strategy* Edinburgh: The Scottish Government [Accessed Apr 12, 2012]
- The Scottish Government (2012) *Businesses in Scotland - Key Facts* [online]. The Scottish Government. Available: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Business/Corporate/KeyFacts> [Accessed Aug 29, 2013]
- The Scottish Government (2013) *Businesses in Scotland* [online]. Edinburgh: The Scottish Government. Available: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Business/Corporate/KeyFacts> [Accessed Dec 6, 2013]
- The Scottish Government (2015) *Economic Growth: Why is this purpose target important?* [online]. Edinburgh: The Scottish Government. Available: <http://www.gov.scot/About/Performance/scotPerforms/purpose/economicgrowth> [Accessed Mar 31, 2015]
- Thompson, P., Jones-Evans, D. and Kwong, C. (2009) Women and Home-based Entrepreneurship: Evidence from the United Kingdom. *International Small Business Journal*, 27 (2) pp. 227-239
- Thurik, A. R., Carree, M. A., van Stel, A. and Audretsch, D. B. (2008) Does self-employment reduce unemployment? *Journal of Business Venturing*, 23 (6) pp. 673-686
- Tietze, S., Musson, G. and Scurry, T. (2009) Homebased work: a review of research into themes, directions and implications. *Personnel Review*, 38 (6) pp. 585-604
- Tipple, A. G. (1993) Shelter as workplace: A review of home-based enterprise in developing countries. *Int'l Lab. Rev.*, 132 pp. 521
- Tipple, G. (2005) The place of home-based enterprises in the informal sector: Evidence from Cochabamba, New Delhi, Surabaya and Pretoria. *Urban Studies (Routledge)*, 42 (4) pp. 611-632
- Tourish, D. (2013) 'Evidence Based Management', or 'Evidence Oriented Organizing'? A critical realist perspective. *Organization*, 20 (2) pp. 173-192
- Tsai, K.-H., Chang, H.-C. and Peng, C.-Y. (2014) Extending the link between entrepreneurial self-efficacy and intention: a moderated mediation model. *International Entrepreneurship and Management Journal*, pp. 1-19
- Unger, J. M., Rauch, A., Frese, M. and Rosenbusch, N. (2011) Human capital and entrepreneurial success: A meta-analytical review. *Journal of Business Venturing*, 26 (3) pp. 341-358

- Unwin, P., Karuk, V., Buscha, F. and Siara, B. 2008. Small Businesses in the UK: New Perspectives on Evidence and Policy *In: Westminster, U. O. (ed.)*. London: University of Westminster.
- Valuation Office Agency (2014) *Council Tax and Business Rates - Home-based businesses* [online]. Available: <http://www.voa.gov.uk/corporate/Publications/home-based-business.html> [Accessed Dec 10, 2014]
- van Praag, C. M. (2003) Business Survival and Success of Young Small Business Owners. *Small Business Economics*, 21 (1) pp. 1-17
- Verheul, I., Thurik, R., Grilo, I. and van der Zwan, P. (2012) Explaining preferences and actual involvement in self-employment: Gender and the entrepreneurial personality. *Journal of Economic Psychology*, 33 (2) pp. 325-341
- Vorley, T. and Rodgers, P. (2012) Home is where the business is: Incidents in everyday life and the formation of home-based businesses. *International Small Business Journal*, pp. 0266242612452173
- Walker, E. (2001) *Small business owners' measures of success*. Doctor of Philosophy (Business), Edith Cowan University.
- Walker, E. (2003) Home-Based Businesses: Setting Straight The Urban Myths. *Small Enterprise Research*, 11 (2) pp. 35-48
- Walker, E. and Brown, A. (2004) What Success Factors are Important to Small Business Owners? *International Small Business Journal*, 22 (6) pp. 577-594
- Walker, E., Loughton, K. and Brown, A. (1999) The relevance of non-financial measures of success for micro business owners. *In: Proceedings of the 1999 International Council for Small Business Conference*, 1999 Naples. <http://www.sbaer.uca.edu/research/icsb/1999/101.pdf> [Accessed May 24, 2012]
- Walker, E., Wang, C. and Redmond, J. (2008) Women and work-life balance: is home-based business ownership the solution? *Equal Opportunities International*, 27 (3) pp. 258-275
- Walker, E. and Webster, B. (2004) Gender issues in home-based businesses. *Women In Management Review*, 19 (8) pp. 404-412
- Walstad, W. B. and Kourilsky, M. L. (1998) Entrepreneurial attitudes and knowledge of black youth. *Entrepreneurship Theory and Practice*, 23 pp. 5-18
- Wang, L., Prieto, L., Hinrichs, K. T. and Milling, H. A. (2012) A cross-cultural study of motivation for self-employment: Comparing China, Mexico, and the USA. *International Journal of Entrepreneurial Behaviour & Research*, 18 (6) pp. 649-672
- Ward, M. and Rhodes, C. (2014) *Small businesses and the UK economy* London: Library House of Commons [Accessed 31 Mar, 2015]
- Warren, C. A. B. (2002) Qualitative Interviewing. *In: Gubrium, J. F. a. H., J. A. (ed.) Handbook of Interview Research* Thousand Oaks, CA: Sage Publications, Inc. , pp. 83-101
- Watson, J. (2010) *SME performance: Separating myth from reality*, Cheltenham: Edward Elgar Publishing Limited
- Watson, K., Hogarth-Scott, S. and Wilson, N. (1998) Small business start-ups: success factors and support implications. *International Journal of Entrepreneurial Behaviour & Research*, 4 (3) pp. 217-238
- Weiner, B. (1972) *Theories of motivation; from mechanism to cognition*, Chicago, IL: Markham Pub. Co.
- Werner, A., Gast, J. and Kraus, S. (2014) The effect of working time preferences and fair wage perceptions on entrepreneurial intentions among employees. *Small Business Economics*, 43 (1) pp. 137-160
- White, D. (2008) 'Mother of four goes to work on her tea break', *Telegraph Weekend*, 27th December 2008, p.W20.

- Wigren, C. (2007) Assessing the quality of qualitative research in entrepreneurship. In: Neergaard, H. and Ulhøi, J. P. (eds.) *Handbook of qualitative research methods in entrepreneurship*, Cheltenham: Edward Elgar Publishing, pp. 383-405
- Wiklund, J., Davidsson, P. and Delmar, F. (2003) What Do They Think and Feel about Growth? An Expectancy-Value Approach to Small Business Managers' Attitudes Toward Growth. *Entrepreneurship: Theory & Practice*, 27 (3) pp. 247-270
- Wiklund, J. and Shepherd, D. (2003) Aspiring for, and Achieving Growth: The Moderating Role of Resources and Opportunities*. *Journal of Management Studies*, 40 (8) pp. 1919-1941
- Williams, C. C. (2008) Beyond necessity-driven versus opportunity-driven entrepreneurship A study of informal entrepreneurs in England, Russia and Ukraine. *The International Journal of Entrepreneurship and Innovation*, 9 (3) pp. 157-165
- Williams, C. C. (2009) The motives of off-the-books entrepreneurs: necessity-or opportunity-driven? *International Entrepreneurship and Management Journal*, 5 (2) pp. 203-217
- Williams, C. C. and Nadin, S. J. (2013) Beyond the entrepreneur as a heroic figurehead of capitalism: re-representing the lived practices of entrepreneurs. *Entrepreneurship & Regional Development*, 25 (7-8) pp. 552-568
- Willmott, R. (2000) Structure, culture and agency: rejecting the current orthodoxy of organisation theory In: Ackroyd, S. and Fleetwood, S. (eds.) *Realist Perspectives on Management and Organisations* London: Routledge pp. 66-86
- Wilson, G., Mitchell, H. and Hall, G. (2004) Home-based entrepreneurs. *International Journal of Entrepreneurship and Small Business*, 1 (3/4) pp. 249-254
- Wurthmann, K. (2014) Business students' attitudes toward innovation and intentions to start their own businesses. *International Entrepreneurship and Management Journal*, 10 (4) pp. 691-711
- Wynarczyk, P. and Graham, J. (2013) The impact of connectivity technology on home-based business venturing: The case of women in the North East of England. *Local Economy*, 28 (5) pp. 451-470
- Yang, J. (2013) The theory of planned behavior and prediction of entrepreneurial intention among Chinese undergraduates. *Social Behavior and Personality: an international journal*, 41 (3) pp. 367-376
- Zolait, A. H. S. (2014) The nature and components of perceived behavioural control as an element of theory of planned behaviour. *Behaviour & Information Technology*, 33 (1) pp. 65-85

Appendices

Appendix A

HBB Interview Schedule

HBB checklist questions:

- HBB must operate *within the home premises* for majority of their business hours
- HBB must have the business registered at the home address
- HBB must be registered with HMRC as self-employed or as a company

MAKE A NOTE OF CONTEXT

1. Tell me about your background/you
2. Tell me about your business
3. Why did you decide to go into business?
4. Why did you decide to run a HBB?
5. What do you get out of running a business/HBB? What is running a business like for you?
 - a. How is your business doing?
 - b. How does running a HBB affect your business?
 - c. Do you aspire to grow your business?
 - d. How are you doing with working at home?
 - e. How does running a HBB affect you personally?
6. What did you want to get out of running a HBB when you first started it? Why?
7. Has that been realised?
8. Any other comments thoughts about your HBB experience?
9. Snowballing: pass on my details

Appendix B

Demographic information

Please circle or complete the information as required.

| | | | | | | |
|--|-----------|---------|---------------|--------------|-----------|-----|
| Gender | Male | | | Female | | |
| Age | 16-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ |
| Marital status | Married | Widowed | Divorced | Separated | Single | |
| Dependants (number) | | | | | | |
| Dependants – age(s) | Under 6 | 7-12 | 13-18 | 19+ | | |
| Highest level of educational attainment | Secondary | College | Undergraduate | Postgraduate | Doctorate | |

Details about your home-based business

| | | |
|---|---|--|
| Geographical location (enter postcode) | | |
| Business sector | Agriculture, forestry and fishing | |
| | Mining and quarrying | |
| | Manufacturing | |
| | Electricity, gas, steam and air conditioning supply | |
| | Water supply, sewerage, waste management and remediation activities | |
| | Construction and building-related activities | |
| | Wholesale and retail trade, repair of motor vehicles and motorcycles | |
| | Transportation and storage | |
| | Accommodation and food service activities | |
| | Information and communication | |
| | Financial and insurance activities | |
| | Real estate activities | |
| | Professional, scientific and technical activities | |
| | Administrative and support service activities | |
| | Public administration and defence, compulsory social security | |
| | Education | |
| | Human health and social work activities | |
| | Arts, entertainment and recreation | |
| | Other service activities | |
| Other (please specify) | | |

| | | | | | |
|--|---|-------|-----------------------------|--------|--------------------------|
| Number of employees (excluding self) | | | | | |
| Revenue of business in last financial year (£ in 1,000s) | 0-10 | 11-25 | 26-50 | 51-100 | 101+ |
| Length of business operation | Nascent 0-3 months | | New business 4-41 months | | Established 42 months |
| Number of hours per week you estimate are spend on your business: | <div> <div>At home</div> <div></div> <div>Outside the home</div> <div></div> </div> | | | | |

What is your ethnic group?

Choose one option that best describes your ethnic group or background

White

1. Scottish
2. Other British
3. Irish
4. Gypsy/Traveller
5. Polish
6. Any other White ethnic group, please describe:

Mixed or Multiple ethnic groups

7. Any Mixed or Multiple ethnic groups, please describe:

Asian, Asian Scottish or Asian British

8. Pakistani, Pakistani Scottish or Pakistani British
9. Indian, Indian Scottish or Indian British
10. Bangladeshi, Bangladeshi Scottish or Bangladeshi British
11. Chinese, Chinese Scottish or Chinese British
12. Any other Asian, please describe

African

13. African, African Scottish or African British
14. Any other African, please describe

Caribbean or Black

15. Caribbean, Caribbean Scottish or Caribbean British
16. Black, Black Scottish or Black British
17. Any other Caribbean or Black, please describe

Other ethnic group

18. Arab, Arab Scottish or Arab British

19. Any other ethnic group, please describe:

Appendix C

| Category | Condition | Markup | Example | Explanation |
|--------------------------|-------------------------------------|---|--|---|
| Orthography and spelling | Numbers | spelled out | twenty-five, one oh nine, one hundred thirty-seven | Write out in full; dashes for twenty-one through ninety-nine. |
| | Contractions | transcribe as spoken | can't, I'm, gonna | If you hear a contraction used, write it as a contracted form. |
| | Punctuation | comma, question mark, exclamation mark, period, quotation marks | , ? ! . " | Limited to these symbols. |
| | Pronounced acronyms | no special markup | NAFTA | Write letters with all caps, no space between letters. |
| | Individual letters | surrounded by spaces | I before E, Y M C A | Individual letters spelled out, with spaces in between. |
| Disfluent speech | Filled pauses | no special markup | ah, eh, er, oh, uh | Limited to this list. |
| | Partial words | -, (+) | absolu- +absolutely | Speaker-produced partial words are indicated with a dash. Transcribe as much of the word as you hear. Indicate intended word immediately afterwards, preceded by a plus sign. |
| | Speaker restart | -- | I thought he -- I thought he was there. | Used when the speaker stops short and then repeats him/herself, or abandons the utterance completely, restarting with a new sentence. |
| | Mispronounced or non-standard words | * | *knowledgement | Speech errors or idiosyncratic vocabulary. NOTE: Do not use this symbol to indicate non-standard but common regional/social dialect pronunciations. Transcribe non-standard pronunciation variants or mispronounced words using standard orthography. |
| Other markup | Unclear or unintelligible speech | (()) | They lived ((next door to us)). | Parentheses indicate a transcriber's best attempt at transcribing a difficult passage, or, if left empty, an entirely unintelligible passage. |
| | Interjections | no special markup | uh-huh, yeah, mhm | Use standardized spellings. |

Appendix D

Sample poster

Do you run a home-based business?



My name is Isla Kapasi and I am a second year PhD research student at Heriot-Watt University, Edinburgh. I am interested in speaking to you about your home-based business, why you chose to start one and its business and personal outcomes.

For the purposes of this research a home-based business is defined as a business operated within the home for the majority of business hours.

If this description fits what you do, you operate your business in Scotland, and you are interested in contributing to University-led research, then I'd like to interview you. This would involve 1 (or 2) interviews in person (or via telephone/Skype if meeting in person is not possible) lasting no more than 60 minutes per interview.

Participation in this research is completely voluntary and all information given will be confidential and anonymised (unless the participant would like named recognition for contributing). All information collected will be stored in line with the data protection act. The information provided will only be used for the purposes of conducting this research and will only be seen by the lead researcher. Research participants are free to withdraw from the process at any point. It is not anticipated that there will be any negative effects from participating in this research.

What to do next if you are interested in participating

If you are interested in participating, please contact me at:

Email: ik97@hw.ac.uk

Phone: 0131 451 3273



For additional information, my research supervisor Prof. Laura Galloway can be contacted at: l.galloway@hw.ac.uk. If you have any concerns about ethical issues related to this research, Dr. James Richards can be contacted at: j.richards@hw.ac.uk

Many thanks for your time in considering my request. I hope to be able to work with you and learn more about you and your business.

